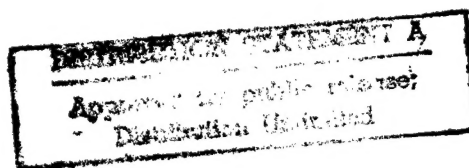


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# Latin America Report

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23 January 1986

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ANGUILLA

BRIEFS

1986 BUDGET--VALLEY, Anguilla, Wednesday. (CANA)--The Anguillian Government yesterday presented a record \$15,293,551 budget (EC) for the financial year ending December 31, 1986. The projected spending is up \$2 million on this year's. Finance Minister Osbourne Fleming told the legislature the package was designed to provide wherever possible improved social services and amenities in this 35 square mile British possession in the Caribbean. The budget he said would maximise revenue collections in 1986 without changing the tax base, revise charges in some areas to keep pace with inflation. [Text] [Port-of-Spain EXPRESS in English 19 Dec 85 p 60] /12851

CSO: 3298/236

ANTIGUA AND BARBUDA

PARLIAMENT GIVES GOVERNMENT OK ON NASSAU UNDERSTANDING

FL261700 Bridgetown CANA in English 2357 GMT 25 Nov 85

[Text] St Johns, 25 Nov (CANA)--The Antigua and Barbuda Parliament today gave government the go-ahead to carry out its commitments under a 17-month-old Caribbean Community (Caricom) accord called the Nassau Understanding aimed at improving intra-regional trade.

Deputy Prime Minister Lester Bird, who moved the resolution, said the community was in a state of stagnation mainly because of the trade protectionist barriers put up by some states in the region. He said that unless there was an attempt to come to terms with this protectionism, the future of Caricom would look grim.

The situation is that governments are going to have to make their minds up whether or not they have the political will to stand by the Chaguaramas agreement (setting up the community), and to realize that there are mechanisms within that Chaguaramas act which allow for certain protective measures to be supplied such as quantitative restrictions, Bird said.

Bird added that Caricom countries have decided almost unilaterally to use different methods to frustrate the free flow of trade.

The Nassau Understanding was worked out during the 1984 Caricom heads of government summit in Nassau, the Bahamas, to revive intra-regional trade. It commits Caricom countries to removing barriers to intra-regional trade which place restrictions on imports from third countries that could be produced in the community.

/9274

CSO: 3298/197

ANTIGUA AND BARBUDA

CABINET IN-FIGHTING ALLEGED; V.C. BIRD RESPONDS

ACLM Organ's Charge

St Johns OUTLET in English 8 Nov 85 pp 1, 2

[Text]

The Government of Antigua & Barbuda is becoming more and more divided, and the division is leading to more and more disputes, to angry exchanges, last resulting in an outburst in Cabinet, which meets every Wednesday at the Prime Minister's office to decide on serious matters affecting the country.

The root cause of the new and cantankerous mood in Cabinet is the succession problem. P.M Bird seems to be making moves, prompted by reasons of health, to hand over the reins of power to Deputy P.M Lester Bird. One faction in the succession battle is of the view that regardless of "what is cooked up in the party" in their words "to anoint Lester Bird the new monarch", according to the Constitution of Antigua, the Governor-General would have to call on the man, who commands the majority in the House. As such, this faction is certain that they would notify the Governor General that John St. Luce and not Lester Bird commands majority support in the One-Party House of Representatives.

**DISTURBING**

The new and disturbing fact is the

presence of a fourth Bird in the ranks making it clear that the Birds consider the Government of Antigua, a family dynasty. The return of Roswald Bird, 45, and his political activities, in spite of Prime Minister Bird's assurances that this 'new' son is not political, indirectly sparked the latest controversy and outburst in Cabinet.

When Cabinet met a couple of weeks ago a Minister enquired as to who were the publishers of the new newspaper, to be called **The Antigua & Barbuda Herald** and what, if any, was the relation between the new paper and the ruling party.

After the question, there was at first a-you-can-hear-a-pin-drop-silence. All eyes turned to Attorney General Keith Forde, under whom the Registration of Newspapers falls.

Attorney General Forde in turn, looked angrily at Minister of Agriculture Yearwood in the pregnant silence and then said to Yearwood, "you tell them, you tell them you are deeply involved." Other things were said, according to the Report which Outlet received but which Outlet cannot print. There was no written report of this incident in Cabinet.

Then, Yearwood stuttering and stammering, seemingly at a loss for words, threw more fat in the fire when he asserted, that **the Herald** was a "Party paper" and that ALP needed this paper now.

Apparently, and from reports of the Cabinet meeting, Yearwood along with Deputy Prime Minister Lester Bird and the wife of Roswald Bird are listed as the Publishers and Printers of the paper. However, Outlet found no record in the Registry of Newspapers of such registration.

### BOOST IMAGE

Other Cabinet Ministers then disputed that it could be an ALP paper, since no such decision had been taken by the party. According to reports of the meeting, "accusations flew left and right," suggesting that the Deputy PM has his own reasons for seeking to publish a paper "to boost his image" at this particular point in political time, and as such, **The Herald** could not serve the interests of the party as a whole. Yearwood had to take the heat, since Deputy PM Lester Bird, was out of the island on one of his numerous jaunts abroad.

By an odd stroke of fortune, **The Herald** could not find printers and had to turn to the Antigua Printing and Publishing, of which Minister of Education, Reuben Harris, is a principal shareholder and chairman of the Board of Directors. Harris is not known to be in anyway partial to the claims of Lester Bird as the new leader if PM Bird steps down - probably in June 86. A final decision on whether Antigua Printing

will continue to print **The Herald** (if it appears at all) awaits the return of Reuben Harris.

**Peculiarly Cabinet** has been involving itself in newspaper affairs setting aside the business of the country to embroil itself in a vendetta against **Outlet**. Since Wednesday 29th August 1984, Cabinet ordered the prosecution of **Outlet**. ~~Cabinet~~ recognising that **Outlet's** revelations were within the ambit of the law, and on the advice of Lester Bird, according to reports from within Cabinet, decided, and it is officially recorded in the Cabinet minutes, "to request the honourable Attorney General to examine the libel laws of Antigua and Barbuda and if necessary to seek expert advice on the matter, with a view to updating such laws". The laws of libel have been long established based on English law, and this "updating" was part of the enterprise to ensnare the sole opposition medium, namely **Outlet**. the prosecution of **Outlet** "in a spate of cases" began with this Cabinet meeting.

When **Outlet** Editor Tim Hector, was angrily sentenced to six months imprisonment, by Magistrate Colvin Sobers, Cabinet had just appointed Magistrate Sobers an Industrial Court judge. The following week on Wednesday July 17, 1985 Cabinet decided that Chief Magistrate Colvin Sobers "should be paid travelling allowance with effect from 1st May 1985 at a fixed rate of \$4,284 per annum, and a duty allowance of \$500 per month". The two events, the imprisonment and the judicial appointment, are most likely not related, but the coincidence is striking.



### New Ministerial Appointment

St Johns OUTLET in English 8 Nov 85 p 10

[Text]

According to a release repeated several times over the Government (Bird's) ABS Radio and TV the Hon Joseph Myers has been appointed Minister in the Ministry of Public Works to assist Minister of Public Works Hilroy Humphreys.

This incredible bit of news stunned everyone as it is widely known that Mr Myers and his constituents were much aggrieved that he (Myers) did not get a ministry after the last elections, but rather, had his ministry of Local Government abolished. Furthermore it was incomprehensible why an already top heavy Cabinet required another member in view of the fact that **this cabinet is already the largest and most widely travelled in the Caribbean.** While it is recognised that Humphreys is incompetent in his job he appears to be progressing quite well privately and it is felt that he is too outspoken for his colleagues' appetite. It is understood that Freeland refused to have Myers in his ministry as he wished no interference, and sources suggest that Myers appointment by V.C. Bird sr. has 4 major motivations.

These are (1) To pacify the constituents of St Peters who are unhappy over the treatment of the widely respected Myers.

(2) To "muzzle" the ever critical Myers (inside and outside Parliament)

(3) To strengthen the 'old guard' inside Cabinet in preparation for ambitious attempts by the 'young guard'.

(4) To gradually ease out Humphreys and downgrade him to a 'desk' pilot position.

However a recent check at Public Works reveals that Myers' office has never been occupied and reliable sources advise that he **never accepted this appointment** but rather refused it point blank. The Hon. Joseph Myers is the longest serving Parliamentarian in the ALP after Mr Ernest Williams and has served as a Minister in several ministries without real distinction. He is however hailed by many as the "only one with any integrity in the ALP hierarchy". Once again we have the lies and misinformation of the ALP propaganda machine. When will they begin to tell the truth? We call upon the Ministry of Information (Simon) to explain this latest fabrication to the nation. Failing a satisfactory explanation the public will wish to know if the Minister responsible for information is to be charged for publishing a false statement which could undermine the confidence in the government.

### Prime Minister's Reply

St Johns NATION'S VOICE in English 15 Nov 85 p 1

[Text]

**In the Outlet newspaper organ of the small leftist Afro Caribbean Liberation Movement, there has**

been a number of allegations that the Prime Minister of Antigua and Barbuda, the Rt. Hon. V.C. Bird will resign. The Prime Minister has refuted the allegations dismissing the matter as unfounded.

As in the past these theatrical allegations were been issued to create chaos within our society.

The Prime Minister has issued a statement in regards to their latest deceptive move.

Here is the test:

"My attention has been drawn to certain speculative statements emanating from the local press and regional news media suggesting that I have plans to relinquish the leadership of the Government owing to circumstances of ill-health."

"So as not to perpetuate the growing concern to which such groundless speculation has apparently given rise, I wish to assure the public that I have no reason to feel concerned about or be dissatisfied with the state of my health and that quite the contrary of what is being suggested by these misleading press and news media reports, I fully intend as Prime Minister and Head of Government to continue in such capacity in fulfillment of the desire and aspiration of my Party and the broad majority of the Country."

The Prime Minister continued by assuring that he would not only finish his present term of office, but will lead the party into the next election.

#### Further Criticism of Bird

St Johns OUTLET in English 15 Nov 85 pp 1, 2

[Text]

75 year old Prime Minister V.C. Bird on Monday in an exclusive interview on the Bird family owned ZDK Radio said that he was not resigning. He said he was assured by doctors that he was in good health and he would be there to lead the party in the next General Elections. He is the oldest Prime Minister in the Caribbean and the oldest person to hold on to a Prime Ministership in the Commonwealth Caribbean.

The reports of V.C. Bird's inclination

to step down arose from sources within the ruling party and Cabinet who said that recent events show that the Prime Minister was indicating a willingness to resign, and allow his Deputy for the last 9 years to take over. Others within the Cabinet were likely to challenge Lester Bird for the leadership.

Prime Minister Bird stated that Cabinet members "should not stay in there (Cabinet) and undermine the decisions". The statement was

loaded in that it implied that Cabinet Ministers were "undermining" the government.

**PM Bird** said that the procedure is that Cabinet Ministers can discuss a matter, they can differ and after that **"I decide"**. He then noted that if individual Cabinet Ministers did not like decisions they can then work it out "with their consciences," and "the constitution gives them the right to resign".

The normal working of the Constitution provides for a collective decision-making process, but, Prime Minister Bird was emphatic that his Cabinet members can advise, but the final decision rests with him and him alone. "I listen to their views" said the 75 year old PM "I give them the opportunity to discuss but I take the decisions." This would suggest that there is a constitutional dictatorship of one-man decision making, in a One-party State, and that some Ministers are unhappy with this arrangement.

**V.C. Bird's** admission that Cabinet ministers "do quarrel outside" also left the impression that the ruling party is beset with problems at the highest level.

**P.M. Bird** at no time refuted the **Outlet** report that there was "a big row in Cabinet" and that the row concerned a newspaper of which his son and Deputy Prime Minister Lester Bird is one of the Principals.

**P.M. Bird** did not deny that some Cabinet Ministers rejected the idea that the **Herald** was an "ALP newspaper" and contended in Cabinet that the paper was being published in order "to boost the image" of Lester Bird for the imminent succession. However, PM Bird's public statement substantiated an earlier **Outlet** Report that he had assured

his "personal aides" that he was going to be around for a long long time, and that his aides should have no fear that they would be unceremoniously deposed by his successor, because there was no likelihood of a successor because he had no intention to leave. In the Monday exclusive ZDK interview PM Bird emphasised and re-emphasised that he would see out his five year term and would lead the party in the next election.

Among the stunning things said by V.C. Bird in this exclusive interview, was when he allowed himself to say the following **"I am going to live a long, long time"**. It left the impression that he was also in control of how long he had, not only with the Prime Ministership, but on earth. He it seemed, determined the length of his life.

However, the renaming of the airport after V.C. Bird, when he himself had refused the honour several times before, fuelled speculation within and without the ruling party that he was thinking of stepping down.

Observers noted that V.C. Bird was not in fact replying to **Outlet**, but was using the occasion to let his own Cabinet members know, that if they had any illusions about succession they had better recognise that such hope was illusory, for he V.C. Bird was going to be at the helm until 1989 and thereafter, and thereafter.....

**PM Bird** did not deny either that his deputy of 9 years must be championing at the bit, and that others within the party were staking a claim to the leadership in anticipation of V.C. Bird stepping down.

**ACLM Vice Chairman**, Conrod Luke said in a brief statement that though the PM looks to be ailing, "his own statement that his doctors gave

him a clean bill of health, has to be accepted at face value and as gospel".

**ACLM Vice** Chairman Luke also noted that "All of the leaders who emerged in the anti-colonial political movement in the English-speaking Caribbean in the 1930's are either dead or have retired from politics. V.C. Bird is the only exception". The late Sir Alexander Bustamante of Jamaica retired more than ten years before his death at 82 handing over to the late Donald Sangster. Bustamante lived more than 11 years in political retirement.

**Both the late** Sir Grantley Adams of Barbados and the late Sir Norman Manley of Jamaica who also emerged in the 30's retired from politics handing over to younger leaders, living in retirement long before their death. Robert Bradshaw of St Kitts died in office nearly 10 years ago. Ebenezer Joshua of St. Vincent has also retired from politics as has Milton Cato. George Charles of St Lucia has been more than twenty years in retirement and so is William Bramble of Montserrat.

**PM Bird's announcement** that he would serve out the end of his term which constitutionally ends in 1989 and lead the party thereafter in the next general election means that he would be some fifty years in the politics of Antigua. The younger leaders in the ALP no doubt had their succession ambitions scotched and seem to be sulking since PM V.C. Bird's announcement.

/9274

CSO: 3298/198

ANTIGUA AND BARBUDA

ACLM ORGAN CHARGES 'BIG SHOTS' INVOLVED IN DRUG TRADE

St Johns OUTLET in English 25 Oct 85 pp 1, 2

[Text]

Massive amounts of marijuana, commonly called 'herb' have been coming into Antigua, in tons and tens of tons. Normally mere youths are given stiff fines and harsh prison sentences. However, the big shipments of marijuana which are some times dropped by air, on land or at sea, or which come on trailers destined for big shots, for sale here or for re-export, get off scot free.

One such huge shipment of herb which came by trailer actually landed at the Port, and has been the subject of an elaborate cover-up, without even police investigation let alone arrest, far less court proceedings.

Outlet put its investigative team to work and has uncovered the following details despite the official cover-up or the official blind eye which was turned on the incident.

On Monday August 19, 1985, the CARICOM VENTURE arrived in Antigua and docked at the Deep Water Harbour.

On Tuesday August 20, 1985 early in the morning two Customs officials opened a container which came on the CARICOM VENTURE.

They, the two customs officials, took from the container 5 large cases, alleged to contain a huge amount of marijuana.

The 5 cases, which allegedly contained the herb obtained a gate pass, signed by one of the two officiating Port officials.

The gate pass bore the name William Jones and the contents of the 5 cases were described as general merchandise. One of the Customs officials who handled and delivered the 5 cases is not normally involved in the delivery of cargo but, apparently, was specially designated for this assignment.

The 5 cases, according to information received, was actually removed in Truck which bears the number 395.... the last number could not be recovered from torn documents which Outlet's investigators saw. However, the 'official' gate pass falsely carried the number of another vehicle which is not a truck.

Eventually, on Thursday August 22, as part of the cover-up, the gate pass which let through the 5 cases was destroyed even though, or because it had on false information, declaring the goods in the 5

cases (which were never opened) to be "general merchandise" and which had on the wrong truck number. Of course, no duty was paid on the general merchandise.

**The 5 cases of unexamined 'general merchandise'** on which no duty was paid were according to the investigators consigned to some mysterious "Boat House".

According to the investigation **Senator Bill Abbott**, Port security officer, heard of the heist and carried out his own investigations.

**Subsequently, Ministers of government** were informed of the early morning movement of "5 cases of general merchandise", which went through the Port gate, on a gate pass, which pass had been, contrary to the rules, destroyed.

**After the information was lodged with government**, the official position was that until the return of Port General Manager Mr E. Sweeney and Chairman of the Port, Senator

Ron Martin, who were away on Port business, nothing further could be done.

**Both Sweeney and Senator Martin** have returned for weeks now, but the matter has remained dead.

**A Port Official** was removed from the Port last year when **Outlet** revealed, how tyres and other goods had been smuggled out of the port.

**It is unlikely** that any steps will be taken now, since, if the cover-up were uncovered a number of really big shots would be embarrassed.

**Antigua has fast become a transshipment centre** for drugs, including cocaine, which dangerous drug, according to unconfirmed reports, has led to murder in Antigua, and the deaths of Antiguan in the nearby French islands.

**The small ones** get caught with the odd "spliff" or a little more, they get heavy jail sentences or equally heavy fines. **The Big Ones get away.**

/9274

CSO: 3298/198

23 January 1986

## ANTIGUA AND BARBUDA

## HECTOR CHARGES, RAPS MILITARIZATION OF CARIBBEAN

St Johns OUTLET in English 25 Oct 85 pp 6-7

[Tim Hector column "Fan the Flame": "Those Who Strengthen Armies Will Themselves Be Undone by the Army"]

[Text]

Two years ago on October 19, 1983 a great son of the Caribbean, **Maurice Bishop**, was murdered by his own army on the orders of his own Central Committee.

I have stated the matter thus baldly, and thus without sentiment or sentimentality the better that the truth of the matter might be grasped.

Maurice Bishop, as everybody knows, was my comrade and friend. Our friendship was such that we could quarrel, one with another, with the effect that the political comradeship might have been temporarily affected, but **never** the friendship.

The last but one time I saw him before his death we had quarreled loud and long. The army in Revolutionary Grenada, I told him, was no longer Revolutionary, it had become its opposite, a standing army. Every standing army, I insisted, like the state bureaucracy, tends to perpetuate itself. Worse, they tend to consume more and more of scarce state funds. They do so, by stressing the need for "security" against the enemy, real or imagined. As the state becomes more and

more security conscious, the more does the army and police demand more and more matériel and more and more equipment. The more it gets, the more it destroys equipment. And the more the army gets and destroys, the more the State has to squeeze more and more out of the farmers and workers in the form of taxes and levies. And thus, objectively and subjectively, the Revolutionary State is transformed into the National Security State, a power **over** the people and against people constantly militarising to face some real danger, which danger assumes imaginary proportions.

Having said all that I made the fatal mistake of stating it as my view that the U.S. would never invade Revolutionary Grenada.

Maurice was livid. Maurice quoted from documents, U.S. documents to show that I was dead wrong.

I countered by saying that after Vietnam, and the huge cost in American lives (55,000) American youth would not risk death to fight in some far off country.

I backed away from this somewhat because Maurice saw this "as a failure (on my part) to understand imperialism and its thorough-going economic crisis, which would drive it "ineluctably" said he, to seek military solutions.

I tried to shift back the argument to the political effects of a standing army which posed as a Revolutionary Army. I showed him, that all standing armies influence and change the character of the State, shifting it away from popular decision-making to centralised decision making - which process leaves the people out, and brings the army in, **in place of the people**, as the bulwark of defense. The army and the Party bureaucracy usually form a solid phalanx (that was the phrase I remember using, it was not prophetic, but scientific).

I showed this to be so in the Bible, where in Samuel 2, it is written, "In Israel there was no King, and each man did what was right".

However, war and the threat of war abolished this popular participation in ancient Israel. Thereafter the Commander-in-chief, became both War lord and Lord. This tendency reoccurred in the Soviet Union, where the Civil War abolished the popular organs - the Soviets - and and the Party and Army assumed full power, destroying the real mass power in the Soviet Union. I argued, forcibly that it was the concentration of power in the United States military, which had the U.S. fighting an undeclared war in Vietnam, without the approval of the legislature, that is, Congress and Senate. Reagan, in time and in turn, had concentrated power in the military. The U.S. military was receiving under Reagan 12 times the budgetary allocation before Reagan came to power! That

militarisation would subvert what remained of U.S. democracy. And there is now government by the CIA and Pentagon, with Reagan serving the public relations role of Great Communicator to persuade the American people that American **Wrong-doing** was and is **Right** for the world.

I did not recount that conversation at this time, to prove how right I was and how wrong Maurice was. That would be egotistical. And all egoism is pointless, at any rate, in my view.

I recount it because Caribbean States are today, following the American lead and militarising as if militarisation ever solved a problem. **It never did and it never will.**

Since the U.S. and Caribbean servile states intervened militarily in Grenada "it has been estimated that over 3,000 Grenadians have been added to the market of the **jobless**, which stands, alarmingly, at around 35 percent of the eligible working population". Put another way, military intervention in Grenada, is creating the very same problems which called forth the historic Grenada Revolution of March 13, 1979 in the first place. And militarisation will not stop the Second Coming.

Let another example suffice. **World Military and Social Expenditures** by Ruth Sward shows, that in Guyana in 1979 military spending accounted for 3.3% of the total state expenditure. By 1983 Guyana's military spending was estimated at 10% of the national budget. Guyana's military expenditure tripled in four (4) years!

Guyana's economy became unstuck. Production in rice and sugar fell drastically. The military became



the centre of State terror, whose sole purpose, was to terrify the people into accepting their rapidly deteriorating lot. The people were made to feel that they were powerless against an all powerful army. As such therefore, they dare not intervene, not even when desperate, to change their lives and society's life. Nevertheless change must come in Guyana.

Another example. Up to 1979 Barbados expended \$4 million on its army. In 1984, Barbados military expenditure had leap-frogged and is projected to rise from \$12 million to \$16 million in 1984 - 85! The more there is a massive and sudden increase in military spending, the more there is unemployment and concomitant economic and social dislocation. That is a safe and certain political rule of thumb.

I could go on and give you statistics about Jamaica in much the same vein. Likewise Antigua where statistics are nearly always falsified by the regime, moreso on the military than any other sector.

It is enough to remind that the U.S. will stage military exercises, as they did in St Lucia this month, in Antigua shortly. The Caribbean riven with economic and social crises is being inundated with military exercises, one after another.

It is enough to remind that Antigua recently participated in Exotic Palm in St Lucia. They will come to Antigua with their C-141 and C-130 transport planes, their A-10 fighter jets and AC-130 helicopter gunships plus armed Coast Guard vessels etc. It will solve nothing and aggravate everything.

It is enough to remind, that unknown to the public, Antigua sent a secret

contingent of military and paramilitary personnel to Panama. In Panama, some of the Antiguan police and army personnel contracted **jungle fever**. They returned to Antigua (complaining of the horrors they experienced from the U.S. military in Panama) and they were never **quarantined** but were left to communicate the jungle virus among their friends and associates here. As with all militarisation, we shall soon find some strange and hitherto unknown diseases among us. Indeed militarisation brings new problems in every facet of life. It is like Pandora's box.

It is enough to remind that the local military are conducting their own internal military exercises, codenamed by me **Exotic Bird**. From up on Monk's Hill to the plains of Market Street the local military could be seen displaying their hardware, bent, it would seem, on frightening an already 'passive' (to use the Workers' Voice word) population. The regime has determined that even more "pacification" is necessary, though there are no strikes (forbidden by law), no picketing (also proscribed by law) no demonstrations (one has to have the **permission** of the State to demonstrate against the State!)

It is enough to remind too, that the militarisation of the Antiguan State **cannot** be directed against ACLM. It cannot. Simply cannot.

For ACLM has demonstrated, and it is now abundantly clear, that after the most thorough-going harassment by the State, ACLM has not retaliated with violence.

Therefore the militarisation of the Antiguan State is ordained by the U.S., carried out by Bird, **against** the Antiguan people. The very people, whom the State will tell us these

military exercises are designed to protect and secure, these very people will be the targets. Remember Grenada?

Perhaps I had better illustrate how serious the problem is by giving some idea of the spectacular increase in military expenditure.

U.S. military assistance to the Eastern Caribbean increased from US\$4 million in 1980 to US\$13.3 million in 1983! An increase of more than 300% over 1980 - in three short years! U.S. military expenditure in the Eastern Caribbean is expected to be \$25.3 million an increase over 1980 of more than 600%! The increase is even more dramatic when we recognise that many of these countries received no U.S. military aid prior to 1979!

The new U.S. military policy in and for the Caribbean has a logic (rather an irrational logic) all of its own. It is grounded in the premise that the region has entered a prolonged crisis which is insoluble by political or economic means, and can only be contained by the military. Thus U.S. military assistance to Jamaica will increase from US\$59.5 million in 1983 to US\$75.2 million in 1985.

It is immediately obvious, that the more social and economic problems become more acute, the U.S. convinces its Caribbean pawns not to strive for social and economic solutions to the problems, but irrationally locks Bird, Seaga, St. John and Eugenia Charles into a military Logjam. Those who preach and practise militarisation, are eventually plagued and undone by the very military.

As in the case of Maurice Bishop, his opposites, the Birds, Ciaras, Comptons and Charles' of the Caribbean are going to be upended and

overturned by the very military they spawned and cultivated. Mark my word. This is not prophetic it is scientific. Politics, after all, is a science.

What I want to do now is to pursue the science of political research to prove to you that what the U.S. is doing in the Region and in the world is what it set out to do as long ago as the 1940's.

During World War II American planners were fully cognisant that the United States was going to emerge as the world dominant power replacing the British Empire, and thus, in a position of hegemony that had no historical parallel. As Hitler unleashed his blitzkrieg on Britain the U.S. at the same time organised planned and outlined policy to deal with their new world hegemony in place of Britain.

One of these planners was one of the most liberal of U.S. liberals, an intellectual pillar of the U.S. establishment. He was the well known George F. Kennan. While he was head of the U.S. policy planning staff (PPS) in February 1948, he outlined U.S. policy for the future in PPS23. Kennan wrote:

"We [the United States] control 50 percent of the world's wealth, but we are only 6.3 percent of the world's population.... In this situation we cannot fail to be the object of envy and resentment. Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain this position of disparity.... We need not deceive ourselves that we can afford the luxury of altruism and world benefaction. We should cease to talk about vague and unreal objectives such as human rights, the raising of living standards and democratization".

In other words the U.S.A. is committed "to maintain its position of disparity" of having and controlling a vastly disproportion amount of the world's wealth. To this unjust end, it has and will "devise a pattern of relationships" to preserve, maintain and advance this disequilibrium, this "disparity", this pauperisation of the hemisphere, re-inforced by militarisation. All this talk from the U.S. about "human rights", about "raising living standards" about "democratization", by their own admission, is so much poppycock. The opposite is the real thing - Repression by militarisation.

In this effort to preserve inequality and "disparity" the U.S. killed 170,000 Vietnamese from 1954 to 1965. When the Vietnam war broke out lasting from 1965 - 1975 the U.S. left a death toll of approximately 3 million Vietnamese. There were also 2 million dead in Cambodia and Laos from U.S. bombing and war. Furthermore, there were over 10 million homeless, and uprooted men, women and children, known by a popular euphemism as refugees. That was South East Asia. The end result "the disparity" has increased.

In El Salvador between October 1979 until December 1981 U.S. backed military forces and the Death Squads in just 2 years - killed about 30,000 people. It is now estimated that 100,000 children in El Salvador alone have lost one or both parents. That is the kind of horror inevitable upon militarisation of this region.

May I remind that in the last stages of the U.S. backed Somöza dictatorship, the U.S backed dictator killed 50,000 Nicaraguans. A blood-bath. Nicaragua was drenched in its own blood with U.S. arms.

And in spite of the deaths, in thou-

sands and tens of thousands, the Nicaraguan people braved death and conquered death to ensure change. And change did come, inspite of or because of the military and the militarisation. Militarisation, though so intended by its principals, cannot stop the forward movement of the people when they decide they cannot live any longer in the old way.

History, you know, teaches strange even exact lessons. On February 18, 1796, nearly two hundred years ago, Henry Dundas addressed the House of Commons. He was speaking, mark you well, in **opposition** to a motion for the abolition of slavery and the slave trade said Dundas, among other things:

"The war in the West Indies on the part of this country was not a war for riches or local aggrandizement, but a war for security".

Then as now the enemies of freedom claim "security" not "riches or aggrandizement" for their war. It so happened that by 1796 Britain lost 80,000 soldiers, including some 40,000 struck down in war by Toussaint's ex-slaves. Sir John Fortescue, the well-known military historian, wrote that Britain's "ill-fated expedition" in San Domingo seeking to beat back Toussaint in the momentous struggle for liberation had this result: "After long and careful thought and study, I have come to the conclusion that the West Indian campaigns, both to wind and to leeward, which were the essence of Pitt's military policy, cost England in Army and Navy little fewer than one hundred thousand men, about one half of them dead, the remainder permanently unfitted for service of any kind. Continued Fortescue "England's soldiers had been weakened, her arm for six fateful years fettered and paralysed".

So yesterday, so today. The U.S. pursues this militarisation of the region in the Caribbean and Central America, much as Britain did. History shows the consequences for the British. History will also show tomorrow the consequence of the current militarisation.

It is enough for us to recall, that Toussaint L'Ouverture at the head of slaves, who until the struggle began in earnest, trembled at the mere sight of a white man, and whom the pundits of the time claimed were sunk in apathy, defeated the best military forces that Napoleon could field against them, defeated the might of Spain and France, in effect, the might of mighty Europe, to secure liberation from slavery.

In the face of overwhelming military odds the Caribbean won yesterday, and lit a torch of freedom which swept over the entire South American continent. History teaches. Powers and potentates seldom learn. The writing is definitely on the wall.

/9274

CSO: 3298/198

ANTIGUA AND BARBUDA

ATLU ORGAN HITS HIRING OF FOREIGNERS OVER CITIZENS

St Johns THE WORKERS VOICE in English 23 Nov 85 p 2

[R. A. Bascus column "Frankly Speaking": "Linkages and Leakages"]

[Excerpt]

It makes such interesting listening to hear the personnel in charge of our tourist industry, from the Deputy down to 'Quartz', relate to us at every opportunity which they get, the need to have or to get the local Antiguan and Barbudan involved in the spin-off from the almighty tourist dollar. This type of talk as far as any local citizen is concerned is welcome, as we are aware of the very large percentage of the tourist dollar which flies back overseas, either in briefcases of hoteliers or through the unnecessary imports of commodities which can be grown or produced right here or by allowing hotels to employ more expatriates than necessary.

The small man has taken the 'talk' about involvement seriously, and quite a few ambitious ones have ventured into different fields of support or linkage to the tourist industry like operating self-driven cars or glass bottom boats or sail-making for yachts etc., but they are given absolutely no protection by those who are in authority to do so. We find expatriates are allowed to own and operate self-driven cars to operate and own glass bottom boats, to import and sell beads and woodwork, all this in competition with locals who have invested their life savings in these spin-off industries from the tourist trade.

As we are all aware, white people prefer to deal with white people, so the local has very little chance. A certain hotel made use of a glass bottom boat belong to an Antiguan, but as soon as an expatriate American acquired a similar boat, the one belonging to the 'native' was returned to him. Another incident which comes to mind is that of a local supervisor of water sports at a certain hotel who was fired because it was alleged that he solicited the sale of tickets to guest for cruises on a boat owned by his family. By the admission of the hotel manager

his work for the hotel was no way affected, yet he was fired. After representation on his behalf, no evidence could be produced to substantiate the allegation that he was involved in the sale of tickets while at work, and he was called back to work. Expatriates are allowed to open supermarkets and operate restaurants and employ white people, men, boys and girls to work as waitress, bar boys and meat cutters. All this in direct competition with locals and apparently with no plans nor permission from the ministries involved. As a matter of fact one of these supermarkets is allowed to import all kinds of vegetables and fruits which the local farmer cannot get sold on the local market. How do they obtain licenses to import these commodities? Well it is anybody's guess.

Even the local sail-makers who have occupied a portion of the Copper and Lumber Store at Nelson's Dockyard for their business, have been given notice to quit the premises, but I have been assured by the Commissioner of Parks that alternative quarters would be made available to them within the Dockyard before they are requested to actually vacate their present location. For the time being that situation is being closely monitored, as it could lead to a long, yes very LONG STORY.

The Government of Antigua and Barbuda must introduce measures immediately to protect the small man, who wants to become involved in the tourist industry, and cease making fancy speeches. These measures are required now, not later. Yes we prefer the construction of hotels to 'cossi', but if we are not allowed to share in the spoils then let us all go back to the days of eating weedy - weedy. We are not prepared to be mere hewers of wood and carriers of water in our own country.

A wink from Juba makes Betsy understand.

ANTIGUA AND BARBUDA

FRANCE TO ASSIST WITH ENHANCEMENTS AT AIRPORT

St Johns NATION'S VOICE in English 31 Oct 85 p 12

[Text]

Antigua and Barbuda is to receive a long-term loan from the French government to undertake upgrading and development work at the V.C. Bird Sr. International Airport.

According to Aviation Minister, Hon. Vere Bird Jnr., who has just returned from France, he has successfully finalized negotiations to obtain the money to carry out the multi-million dollar project.

While in Paris, the Minister also made an agreement with the French Consortium of Building Systems to carry out the upgrading work. Preliminary surveys and soil testing

are presently being done by French engineers, and it is expected that over the next few weeks there will be increasing activities at the airport as the company completes its mobilization of equipment on the island.

Meanwhile, at a recent meeting chaired by the Minister and attended by officials of the Airlines Association, the International Air Transport Association and the contractors, a schedule was made up for the up-grading work which includes the resurfacing of the runway.

The resurfacing will make up the first phase of the pro-

gramme, followed by the extension of the parking apron, complete re-electrification of the runway and the installation of the state-of-the-art PAPPI landing system.

The customs' area will also be expanded with the installation of a second baggage carousel.

There are also plans to install state of the art navigational equipment which will help to improve the safety features at the airport as well as equipment to improve radio communications at the airport. The latter is being supplied by the British Government.

/9274

CSO: 3298/199

ANTIGUA AND BARBUDA

GOVERNMENT FAILURE TO ACTIVATE INDUSTRIAL COURT ASSAILED

St Johns THE WORKERS VOICE in English 9 Nov 85 pp 1, 8

[Text]

The Bar Association of Antigua & Barbuda has passed a resolution authorizing its President to write a letter to the Rt. Hon. Prime Minister "decrying the fact that the Industrial Court has not functioned since June 1984, and calling on the Government to complete the statutory appointments of the Court as a matter of urgency".

The Antigua Trades & Labour Union has been pressing the A.L.P. Government for the urgent setting up of the Court since the 'Industrial Court Act' was ammended nearly a year ago. The amendments made it mandatory that cases referred to the Court should be heard within a limited period. It also provided for persons other than those with legal training to be members of the Court.

The main problem which the A.T.L.U. faced with the Court was the extra long delay in hearing of cases before it. This created enormous hardship on the worker.

At the 46th Annual Conference of the Union, the President Sen. William Robinson repeated the call on Government for the immediate establishment of the Court and cited cases that were long overdue for a hearing.

The General Secretay in his report to the same Conference said that he hoped that the President of the

Court would not be a foreigner, especially an Englishman, as that would create a certain degree of suspicion in workers, who had to get rid of a colonial system which was always pro-employer. (Below is the text of the Bar Association's resolution and letter to the Rt. Hon. Prime Minister.)

The Right Honourable Prime Minister  
Prime Minister's Office  
The Camp,  
St. John's,  
ANTIGUA.

Dear Prime Minister,

At an extra-ordinary meeting of The Antigua and Barbuda Bar Association (A.B.B.A.) held on Friday the 4th day of October, 1985, the status of the Industrial Court was discussed by the general membership, and I was instructed to communicate the Association's views to you.

It was noted with grave concern, that the Industrial Court had last entertained a matter before it in the month of June, 1984 some 16 months ago. Since that time the Court has been completely non-functus, for reasons we find difficult to comprehend.

The A.B.B.A. considers this State of affairs to be most undesirable,



particularly in view of the absolute importance of this branch of the Judicial System which was institutionalized by statute to hear and determine industrial matters referred to it for hearing.

This Association is advised that there are a large number of cases awaiting hearing by the Court and some of these have been filed as far back as 1981. Further, in almost all of these cases of delay the persons being made to suffer are the unfortunate employees, who in most instances wait for inordinately long before urgent Industrial matters are heard and/or determined, and to these persons Justice delayed becomes Justice denied.

The A.B.B.A. is at a loss to understand Government's failure to properly staff and house the Court as a matter of urgency, and views with dismay the appointment of The Chief magistrate to the post of member of The Court when it can clearly be seen that being a member of The Court would require full time commitment. Further, we cannot accept that your Government is unable to find suitable Antiguan's to fill the post of President and Vice President of the Court as there are an abundance of Barristers in the State who are capable and qualified to staff the Court.

As a result of the above the A.B.B.A. has passed a resolution calling upon Government to complete the Statutory appointments to the Court as a matter of urgency, so that the Court can belatedly commence to sit before the backlog gets to be so heavy, that hearing in this Court will become nigh impossible.

A copy of the A. B.B.A. resolution is enclosed herewith for your further information, and the A.B.B.A. looks forward to a prompt and positive response from you.

I remain,

Very truly yours,  
Gerald Watt

PRESIDENT ANTIGUA & BARBUDA BAR  
ASSOCIATION

cc Hon. Keith Forde Q.C.  
Attorney General  
Minister of Legal Affairs

Hon. Adolphus Freeland  
Minister of Labour

General Secretary of  
The Antigua Trade & Labour Union

General Secretary of  
The Antigua Workers Union

Secretary  
Antigua Chamber of Commerce

Secretary  
Employers Federation.

To Whom It May Concern

The following resolution was passed at a meeting of the Antigua and Barbuda Bar Association held at the High Court on Friday the 4th day of October 1985.

"It is hereby resolved that the President of the Antigua and Barbuda Bar Association be authorised to write a letter to the Prime Minister decrying the fact that the Industrial Court has not functioned since June 1984, and calling on the Government to complete the statutory appointments of the Court as a matter of urgency.

It is further resolved that the said letter be copied to the Hon. Attorney General, the Hon. Adolphus Freeland, the General Secretary of The Trade and Labour Union, the Secretary of The Antigua Chamber of Commerce and the Secretary of the Employer's Federation.

It is hereby further resolved that the said letter be published in the local media".

C.M. HILL  
Secretary



ANTIGUA AND BARBUDA

BRIEFS

BARBUDA CUSTOMS OFFICE--A Customs and Excise Office has been established in Barbuda. According to the Collector of Customs Mr. Norman Abbott, this will enable boats and planes arriving in the sister island to be formally cleared without having to come to Antigua. Barbuda, he says, is now a legal port of entry and the office is being manned by two customs officers. Mr. Abbott was in Codrington recently to make final arrangements for the setting up of the new office. In the meantime, the Deputy Collector of Customs Mr. Bromel Jarvis is in Dominica. He is representing Antigua at a regional one-week seminar, preparing the way for the drafting of a common Customs and excise legislation, for member countries of the Organisation of Eastern Caribbean States (OECS). [Text] [St Johns NATION'S VOICE in English 13 Sep 85 p 6] /9274

FOREIGN MINISTRY APPOINTMENT--Antiguan born Mr. Anthony Michael has been appointed as a counsellor in the Ministry of Foreign Affairs. He has been assigned to the Antigua and Barbuda mission in New York, and his appointment took effect from August 1st. Mr. Michael, who attended school in Antigua and Barbados, studied in Canada. He received a Bachelor of Science degree from McGill University, and a Master of Arts degree from York University in Toronto. Later, he received an LL.B. degree from Osgoode Hall Law School and was called to the Bar in Canada in 1978. Mr. Michael also practiced law there. A statement from the Ministry of Foreign Affairs says the recruitment of Mr. Michael, is in keeping with the government's policy of recruiting qualified Antiguan to work in the public service. Mr. Michael is the second son of the late Mr. Michael Michael and Mrs. Louise Michael of St. Mary's Street. [Text] [St Johns NATION'S VOICE in English 13 Sep 85 p 7] /9274

CROP MARKETING--The Central Marketing Corporation (CMC) has secured overseas markets for Antiguan farmers and their produce. A release from the CMC says fresh produce will be exported from October this year to the end of April 1986. It says the three major crops for exports are cucumbers, okra and hot pepper, a total quantity of about 30,000 pounds of these crops are required every week. The release says from this, cucumbers will take the major share of 25,000 pounds a week. This, it says, will bring better opportunities for farmers, especially with their major crops of fresh vegetables. The Central Marketing Corporation will be offering purchase contracts to producers of cucumbers, in order for them to grow larger quantities of this crop. [Text] [St Johns NATION'S VOICE in English 13 Sep 85 p 7] /9274

EEC AID FOR ROADS--The European Economic Commission (EEC) has approved a \$US7 million fund for road rehabilitation programmes in Antigua. In a recent statement, the commission said the project comprises the reconstruction and rehabilitation of seven stretches of road totalling 27 kilometres. The work will be carried out by the government public works department, but technical assistance and training for the project will be provided by the British government from its own resources. It is expected that the road work will be completed in 18 months. The EEC said the project should result in reduced road maintenance costs and improved transport conditions which will be of benefit to both the inhabitants and the vital tourist industry. Engineers from the British firm of Franklyn and Partners, which will be supervising the project, are expected in Antigua next month. Negotiations for the financing of the project were recently concluded in Brussels by Public Works Minister Hon. Hilroy Humphreys. [Text] [St Johns NATION'S VOICE in English 31 Oct 85 p 12] /9274

CSO: 3298/199

**BELIZE**

**ESQUIVEL ADDRESSES VARIOUS ISSUES IN PUBLIC APPEARANCES**

**Dangriga Speech**

Belize City THE REPORTER in English 24 Nov 65 pp 1, 12

[Unsigned article: "Progress, Development and Jobs will be ours in '86--P.M. tells Nation"]

[Text] Speaking at Garifuna Day anniversary ceremonies last Tuesday in Dangriga, Prime Minister Manuel Esquivel said the planning and sacrifices and hard work put into mending the economy have begun to pay off and predicted that development and jobs will begin to come on stream in 1986.

The advent of Coca Cola Foods was only the first of many investments which would come, starting in 1986, he said.

Speaking on the Garifuna Heritage and its contribution to Belizean culture, the Prime Minister said that it would be wrong for the people of Carib ancestry to abandon their proud heritage in the name of a Belizean identity, and it would be equally wrong for them to abandon their Belizean identity in the name of their historical roots.

Garinagu should be proud of their roots, their language, their music and their rituals. They should teach their children to cherish and to speak the language of their ancestors and he told them.

"Teach them about St. Vincent and Honduras and Belize - where you came from and what you are today," the Prime Minister urged, "And remember that above all, you are Belizeans, partners in the rewarding task of creation," he said.

"Your ancestors, and now you, helped give birth to this nation," the Prime Minister reminded them. "Belize is part of you, just as you are part of Belize. Belize belongs to you - its constitution, its laws, its social and political organization - just as much as your history, culture and ethnicity belong to you."

Speaking about that wider ethnicity which is Belize, the Prime Minister said it was extremely important that all the people of Belize recognize the magnitude of the problems

facing Belize and the limitations placed on the country's rate of progress both from within and without. Despite the problem, he said, the government felt that careful, honest and responsible management of the country's resources together with far-sighted planning can and will help overcome some of the difficulties.

"Government is very actively engaged in an aggressive programme of attracting national and international investment in agriculture, agro-industries, fishing, manufacturing, tourism, and non-tourist related services. At the same time we are striving to develop our infrastructure of roads, hospital facilities, and the international airport with the co-operation of friendly governments such as those of the U.K., the U.S., Canada and the European Community. The Belize Investment Promotion Unit, a union of public and private sector effort, is the principal avenue to move government's Job creating programme forward. The advent of the Coca-Cola Foods citrus project is just the first of many investments

that are now coming on stream or are soon to come on stream in the new year. Much hard work has gone into mending our economy; many sacrifices have been made in order to rid our country of some \$15 million dollars in external debt arrears, at the same time repaying almost \$40 million in payments falling due January and September of this year. After all the planning, searching, contacting, negotiating, and promoting of the last 11 months, as surely as 1986 is soon to follow 1985 so progress, development, and jobs will be ours in 1986 and the years ahead.

Cooperation is a basic ingredient of survival. We look for cooperation between and among our various ethnic groups; we look for cohesion of each individual group to enrich the large national culture and to strengthen the foundation which this nation will see progress. We must never allow modernity and the paraphernalia of technology that accompany progress to extinguish the specialness, uniqueness and pride that comes from being Garinagu, from being Belizean."

#### Payment to Cane Farmers

Belize City AMANDALA in English 29 Nov 85 p 4

[Unsigned article: "Belize Dollar Strong: Esquivel"]

[Text] BELIZE CITY, Wed. Nov. 27  
At a news conference held here today at Belize Radio One Conference Room, Prime Minister Manuel Esquivel said that the Belize dollar is in a strong position internationally, but domestically we are in a very serious situation and there is definitely a strain on the local resources and domestic programs.

He said that the government continues to meet its international debt commitments.

Mr. Esquivel went on to say that only this week his government honoured a promise he had made to the cane farmers in the north. From government's current revenues, \$850,000.00 were paid to cane farmers from both Corozal and Orange Walk districts.

This money was supposed to have been paid from the Price Stabilization Fund, but no cash existed in such fund.

The Prime Minister also revealed that the price per ton of cane this year will be between \$35 to \$36 per ton, better than last year.

In answer to a question from the floor pertaining to his speech in Dangriga on 19th November, that 1986

should see an improvement in the economy and jobs, the Prime Minister said that according to information from the Investment Unit there are very serious proposals in the fishing, agriculture and light manufacturing industries.

Besides the press, members of the Chamber of Commerce and persons with interests in the sugar and citrus industries were present.

#### Alleged PUP 'Theft'

Belize City THE BEACON in English 30 Nov 85 p 12

[Unsigned article: "PUP Government Stole \$850,000 from Caneros"]

[Text]

Prime Minister Manuel Esquivel's Wednesday morning press conference covered a wide range of topics. But his revelation that \$850,000 belonging to cane farmers had to be met out of current revenues, because no special fund was set up by the past PUP administration for the huge amount of money, had to be the most startling of the day.

During past years, caneros and the sugar factory had contributed this

sum to what is known as the Price Stabilization Fund. This money was to be kept for the very type of hardships the sugar industry is now facing in falling world prices, cutbacks on production and an overcrowded foreign quota.

But the money never reached the special fund for which it was destined . . . it simply disappeared.

Obviously, it was stolen by the past PUP administration and used for its own sinister purposes!

#### Economic Overview

Belize City THE REPORTER in English 1 Dec 85 pp 1, 12

[Unsigned article: "In Belize: One Dollar in four goes to pay off Debt but Belt-tightening Helps Strengthen Dollar"]

[Text]

FIGURES released by the Prime Minister and Minister of Finance this week show that more than a quarter of the Belize national budget is being spent this year in paying off old bills and meeting current debt.

So far the government has paid off \$21 million, nine million of which should have been paid off by the old government. Before the year is over the government will have to find another \$8 million to pay for current

debt, leading to a record-breaking \$29 million repayment feat.

At his monthly news conference last Wednesday the Prime Minister acknowledged that Belize was making a superhuman effort to meet all of these international commitments and would continue to do so even if it means leaving a number of domestic commitments unpaid for the short term.

The sacrifice, the Prime Minister said, was well worth the effort, for it has led to a considerable strengthening of the Belize dollar abroad and has effectively removed the threat of devaluation. Approved external reserves, he said, were today three times what they were a year ago. This, and the gradual settling of the U.S dollar on the international market were favourable indicators that the Belize dollar would remain firm.

A breakdown of the arrears payments shows that amounts of \$3.28 million went to pay for arrears owed by the Belize Electricity Board. Four million went to the Caribbean Development Bank and another million was paid to the Commonwealth Development Corporation for loans to the Banana Board. The remaining three quarter million dollars was paid to the U.K. and to various international institutions to wipe the slate clean.

The Belize Electricity Board still owes \$3.8 million to Petroleos Mexicanos for diesel fuel which it brought on credit during PUP years. This debt has been rolled over with the agreement of the Mexican Government and Pemex and will be paid off in instalments starting next year.

Next year will be a lot easier by comparison, but the Belize government will still have a formidable debt burden to meet - some \$22 million, no less. The amount is still high because there are new debt commitments which are constantly coming on stream. But the payments will be \$7 million less than they were this year, and if the economy improves as it is expected to, Belizeans and the government will be breathing a lot easier in 1986.

Describing his optimism for the prospects of 1986 Mr. Esquivel said there were enough significant proposals now in place to provide "a very substantial investment in 1986 to generate new jobs."

In forestry and agriculture diversification programmes, in tourism and citrus and even in sugar cane, in sea shrimping and deep sea fishing and in proposals for light manufacturing and trade including a proposed free zone area in the Corozal District, prospects had begun to look up.

Revenues for the first half of the year had been slightly lower than the projections had indicated, he said, but there was every reason to believe that revenues for the latter half of the year would more than compensate for this.

Commenting on the widespread smuggling taking place on the northern and western border points, the Prime Minister said the proposed new trucking ordinance was aimed at putting a brake on overland smuggling. Under the proposal, trucks bringing goods into Belize from abroad would have to be unloaded at the border and transferred to locally licensed trucks with local drivers. The plan, he

said, would be phased to come into effect gradually, so that no bottlenecks or severe wrenching would occur.

The Prime Minister said he had discussed the plan with the representatives of Mexico at ambassadorial level and again at the Federal level and Mexico had raised no objection. The trucking restrictions, he said would not affect out-going cargo.

#### Attack on Mexico

Belize City THE BELIZE TIMES in English 1 Dec 85 pp 1, 6

[Unsigned article: "Mean Manuel Mauls Mexico and Moe"]

[Excerpt] During a news conference on Wednesday last the Prime Minister Mr Manuel Esquivel made a mean and wicked attack on the neighbouring Republic of Mexico and on the former Chief Justice of Belize Mr George Moe. The Prime Minister was asked to comment about a report appearing in the local press that person or persons in the North were advocating a secession over to Mexico. Mr Esquivel pointed out that such a suggestion must be coming from a fringe element and does not represent the vast majority of Belizeans. But then he went on to unleash an off-the-cuff vicious assault on the Mexican way of life. In language that can only be described as grossly unbecoming a Leader of a Third World Country, in a most undiplomatic faux pas, Mr Esquivel gratuitously stated: "Obviously they have not lived in Mexico for any length of time to experience what life can be like over there for the Campesino!"

#### Criticism of Fiscal Remarks

Belize City THE BELIZE TIMES in English 1 Dec 85 pp 1, 6

[Unsigned article: "The Finance Minister and the Numbers Game"]

[Text] On 19 November Garifuna Settlement Day Prime Minister Esquivel in a speech delivered in Dangriga made the following statement:

"Many sacrifices have been made in order to rid our country of \$15 million dollars in external debt arrears, at the same time repaying almost \$10 million in payments falling due between January and September of this year." (In the Reporter Story Volume 18 number 43, that \$10 million became \$40 million!)

Now only one week later at a news conference held on Wednesday 27 November Prime Minister Esquivel tells us that the amount of the arrears paid is

\$15 million but \$9 million and some \$3.8 million owed by BEB to Pemex was rescheduled bringing the total to \$12.8 million.

This Minister of Finance loves to play with figures and everytime he seems to get them mixed up. What he conveniently forgets to mention is that most of these debts are being paid out of loans made with the I.M.F. The I.M.F. standby credit for Belize is S.D.R. \$7.125 million - the equivalent of over \$14 million Belize dollars. In other words the government is borrowing money to pay its commitments.

Mr Esquivel should finally face up to the truth. He blundered and deceived the Belizean people when he boldly stated earlier this year that his government would not borrow. That's all he has been doing ever since. Check out the U.S.A.I.D. loans. The Kissinger package was US \$14.5 million for 1985 (US \$5 million for the private sector and US \$9.5 million mostly for balance of payments support and assistance to the Statutory Boards). Check up the new loans with the British Government. And let the truth be known, the Government is having difficulty every month even to meet the payroll of the Civil Service. So what else is new?

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CSO: 3298/243



BELIZE

POLICE INVOLVEMENT IN DRUGS ALLEGED; U.S. DEA ROLE HIT

Probe of Officials

Belize City AMANDALA in English 22 Nov 85 p 1

[Unsigned article: "Cops Linked to Drugs, Murder"]

[Text] Belize City, Friday, Nov 22 -- Our sources say the level of drug corruption to the point of homicide involvement among senior officers of the Belize Police Force is frightening.

Last week, a former Superintendent of the force, Gilbert Franklin, and a corporal stationed at the International Airport, Daniel Castillo, were indicted on charges connected with the issue of false US birth certificates and their certification for immigration purposes.

This weekend, government sources say three senior police officers will be arrested, including one very senior cop, and charged with narcotics conspiracy.

In addition, investigations are almost completed which implicate two senior officers stationed in the districts. One officer in a northern district is believed to have been a part of three different homicides with narcotics backgrounds, and another officer, in a southern district, lives with a lady who is selling cocaine.

One of our sources says that American DEA agents, who have been coordinating the investigations, are sure of only one senior Belizean cop who is completely clean where narcotics is concerned.

In addition, DEA agents are believed to be hot on the heels of a public officer of Permanent Secretarial rank suspected of narcotics conspiracy.

In other corruption investigations, these latter carried out by local authorities, two more Housing and Planning employees have been caught in dishonest practices, and the Licensing Authority Chief, our sources say, will be fired imminently. The UDP publication, THE BEACON, declared on page 3 of this morning's issue, "...We want to know how any licensing officer can afford to be putting up such a grand mansion. These hand-picked PUP appointees continue to hustle..."

Allegations Implicating PUP

Belize City THE BEACON in English 23 Nov 85 p 3

[From the unsigned column "Gone Abroad"]

[Excerpt] The heat is on, and the associates of a number of PUP bigwigs are getting burned. Gilbert 'Fours' Franklin has now been arrested for the birth certificate deal, and we are pleased that the Police high command did not try too hard to protect 'one of their own.' We are also left to wonder how it is that in court, Fours is not being represented by his 'partner.'

Complaints against the Novelo bus line have been numerous. The taxi drivers in San Ignacio were outraged because Novelo's was making house to house pick ups, and killing off the business of the cabbies. The other bus operators on the Belize-Cayo run were furious because Novelo's did not stick to its assigned schedules, but put on as many as three extra runs per day -- in other operators' time slots. The final straw was the continued violation of the official fixed fare by Novelo's, again in an effort to drive others out of business and create a Novelo monopoly.

All these complaints fell on deaf ears at the licencing authority, and eventually the Minister himself had to intervene. Likewise, a certain police officer in San Ignacio did nothing when Novelo's provoked the cab drivers, but was quick to make arrests when the 'taxistar' threatened to break up some buses.

It's the same old story, somebody is on the take, and we want to know how any licencing officer can afford to be putting up such a grand mansion. These hand-picked PUP appointees continue to hustle, but the recent spate of arrests should tell them that the UDP wheels of justice grind slow but exceedingly fine.

Arrest of Police Official

Belize City THE BEACON in English 23 Nov 85 p 4

[Unsigned article: "Ex-Police Supt. Arrested in Birth Paper Scam"]

[Text] A week of speculation in police circles and in the local press became fact late last Friday evening, when Belize City Police arrested former Superintendent of Police Gilbert Franklin and charged him with agreeing to influence a public officer, and on three counts of abetment to commit a crime. Arrested along with Franklin was Daniel Castillo, a member of the Immigration staff at the Belize International Airport. He is charged with four counts of false certification.

The arrests are in connection with the alleged issue of false US birth certificates, and their certification for immigration purposes.

Franklin, who is a close associate of PUP lawyer Glenn Godfrey, formed a company called Security Services Company Ltd. The Certificate of Incorporation of the company was issued by the Registrar of Companies on 2 Jan 1984. Only Gilbert Franklin and one Robert Godfrey are listed as shareholders in the company.

#### Bugging of Phones

Belize City BELIZE TIMES in English 24 Nov 85 pp 1, 12

[Unsigned article: "1985: Big Brother is Listening"]

[Text] George Orwell predicted it would happen by 1984. Big Brother is taking control of what we see, what we read, how we speak and what we think.

Now comes the frightening spectre that Big Brother is listening to our private conversations. Wiretapping and telephone bugging are things we used to read about in spy novels.

They are supposed to happen in dictatorships and repressive regimes. But surely not in our peaceful democratic Belize! We were taught in school that this sort of thing goes on in communist countries. We learn for ourselves that they do occur in the South Africa of Botha, in the Chile of Pinochet. The Pentagon Papers made us realize that even in the United States the CIA and the DEA resort to such illegal methods.

But in Belize? The charge has been made that Cable and Wireless has been monitoring the overseas phone calls of certain citizens of this country. It is now reported that Mr John Phipps the Manager of Cable and Wireless in Belize has gone up to the United States to testify in a New Orleans Court room about such phone calls made by a citizen of Belize in the case brought by the US Government against Rosella Fajardo. The charge has also been made that the local telephone company B.T.A. has been bugging phones in Dangriga. Specific names and places have been called.

We are waiting for the Government's response. Is it that the government cannot respond? Is it that Belmopan has authorised these high handed authoritarian and illegal actions? Is it that the DEA agent Russ Reiner has let the cat out of the bag: "You all (meaning the Government) sold your flag. We are now the boss in Belize". This is 1985. Big Brother is listening.

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JPRS-LAM-86-009  
23 January 1986

FURTHER REPORTAGE ON ALLEGED POLICE INVOLVEMENT IN DRUGS

Gov't 'Collusion' With U.S.

Belize City THE BELIZE TIMES in English 24 Nov 85 p 6

[From the unsigned column: "Dick & Jerry"]

[Text] When will the Belize government admit its part in the BLOCKADE OF BELIZE by US Combined Naval, air, coast guard, customs and D.E.A. personnel and equipment. Radio One tells only part of the story and deliberately fails to tell the people that its government is in collusion with the U.S.A. to unlawfully stop vessels coming from Belize on the high seas and by force, unlawful force search them for drugs. Tell them that, like criminals, they are under surveillance in their own land. Tell the truth about operation HAT TRICK II.

AMANDALA on 22 Nov Story

Belize City AMANDALA in English 29 Nov 85 p 1

[Unsigned article: "DEA Denies; Esquivel Insults, but we Tell it Like it is!"]

[Text] "... and there the antic  
sits,  
Scoffing his state and grin  
-ning at his pomp,  
Allowing him a breath, a  
little scene,  
To monarchize, be feared,  
and kill with looks,  
Infusing him with self and  
vain conceit,  
As if this flesh which  
walls about our life  
Were brass impregnable..."  
RICHARD II, III,  
iii, (162-168)  
BELIZE CITY, Fri. Nov. 29  
The Guatemala City head-  
quarters of the Drug En-  
forcement Administration (D

EA), which virtually kidnap-  
-ped Belizean John Zabaneh  
from the Guatemala City  
airport three weeks ago, and  
enticed Joe Briceño into com-  
-mitting himself earlier  
this year, has issued an  
official denial (see page 3)  
of last week's AMANDALA head-  
-line which had to do with  
DEA investigations of local  
senior police officers and  
a senior public officer.  
This is routine American  
procedure, leaking informa-  
tion in order for it to be  
published, then "officially  
denying" it.  
And the DEA's denial was  
expected, for they are al-

ready several times accused of infringing on Belize's sovereignty where drug investigations here are concerned.

What could not at all have been expected was Prime Minister Manuel Esquivel's outburst, during a subsequently nationally televised press conference, in which he, in effect, questioned AMANDALA's integrity, impugned the newspaper's motives, and ignored its 16 year history of dedicated service to the people of this nation.

The issue was the fifth paragraph of the AMANDALA headline story, which stated: "One of our sources says that American DEA agents, who have been coordinating the investigations, are sure of only one senior Belizean cop who is completely clean where narcotics is concerned."

Note the phrases "senior Belizean cop" (Inspectors on up) and "completely clean."

If a senior officer is only in a car or a room, for example, where marijuana is openly smoked or cocaine evidently sniffed, that senior officer is not "completely clean."

Ray Lightburn, former editor of the defunct TRIBUNE, defunct because its contents and character were offensive to the people of Belize, suggested to Mr. Esquivel at the very end of the press conference, that this newspaper had written that only one Belize police man was clean, a clear distortion of the article.

Mr. Esquivel, either because he was rattled by Lightburn's previous line of questioning about the Coca Cola deal or because

he was malicious, continued with the distortion and went on to insult a newspaper which is older than the UDP.

This is the second time the Prime Minister has spoken publicly in a disrespectful manner about the newspaper, and we have now to interpret these incidents as warnings: the third time it will be considered a threat.

It may be that in Mr. Esquivel's coterie of friends, AMANDALA does not count for much, and it may even be that the P.M. thought he was scoring macho points, again in his select coterie, by lecturing the community newspaper.

Mr. Esquivel clearly does not understand that in the streets all a nigger has is his face, and when he loses face, it is a fate almost next to death.

The newspaper has lost public face as a result of these insults.

No newspaper could have published such an article without information from high levels, within Mr. Esquivel's party itself, and only a brave newspaper would have dared to incur the wrath of the police brass, for that means absolutely no protection or cooperation for us from the only people in Belize who have a legal right to use force.

The newspaper feels sure that the reading public will not join in these indictments and insults against the newspaper and, while we opened with Shakespeare, we end with Marley:

"Don't treat me like a puppet on a string, 'Cause I know how to do my thing."

### Call for Anti-U.S. Stand

Belize City THE BELIZE TIMES in English 1 Dec 85 p 5

[Article "Contributed by EVE": "Drugs: Belize & U.S."]

[Excerpts] Deviating from the usual political polarization practiced by our local press EVE would like to take this opportunity to transcend political lines and heartily offer congratulations to Foreign Minister Barrow. Barrow's nationalistic stand on issues, though timid at times because of his government's absolute solidarity with the US, shows that unlike some of his fellow Ministers the man is prepared to step on some toes in his efforts to think and act Belizean.

Not only is the US's self-appointment as policeman against global drug trafficking a failure, but the "terrorist-like" manner they have chosen in going about the task is downright despicable.

Bringing this matter closer to home, Belizeans are suddenly coming to realize that the US Government, through its DEA Agents, has little or no regard for the constitutional rights of our Belizean citizens and our country's sovereignty. American agents are now coming to Belize and in the eyes of our laws KIDNAPPING people and taking them to the US. Their agents come into our country to coerce and manipulate hand-picked persons in their so-called "sting operations"! In the eyes of the laws of this land those undercover agents engaged in drug trafficking would have to answer to our courts to ensure that their activities are confined to upholding law and order only. Instead they are protected and return to the US--no questions asked.

It is high time that the US government, Esquivel or Thompson (or all three) explain why it is that the due process of law is being disregarded? Why isn't extradition proceedings, the proper and law abiding channel, used to get these people? This way at least we here in Belize can be satisfied that the legal and human rights of our citizens are being protected. The US, can accuse any person, come down here and forcibly return them to the United States. However by going through the proper extradition channels we could at least satisfy ourselves that indeed the accused has committed some criminal act.

The advantages and benefits which Belize can enjoy given good relations with the US is obvious. Such good relations are obviously the policy of all political parties - P.U.P. and U.D.P. alike.

However, to forego all nationalism and to have a government of a legitimately independent country gravel in lieu of \$20 or \$30 million a year is absolutely insane in today's world. Why don't we look to the Europeans, Canadians, Japanese, Koreans, etc. for assistance since it seems that to get aid from the US we must give up much of our self respect, dignity, freedom and sovereignty.

This is no UDP versus PUP issue. What we are talking about here is the need to put some backbone into our government and their knowing that when it comes to the protection of Belize's interest and independence the people are behind them. Belize will never be able to stand strong and proud among the world of nations if our government continues to act so disgustingly spineless and permit other countries to walk over us. Let us preserve what nationalism there is and keep in mind that our efforts must always serve to build upon that national pride. No people or nation can be too nationalistic.

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CSO: 3298/242

BELIZE

DRUG DEALERS SAID TO THREATEN MEMBERS OF PEACE CORPS

Belize City AMANDALA in English 29 Nov 85 pp 1, 12

[Unsigned article: "Drug Czars Threaten Peace Corps"]

[Text] BELIZE CITY, Fri, 29 Nov -- As we went to press this morning, reliable sources say that the Peace Corps has withdrawn its volunteers from the Toledo and Dangriga districts as a result of threats made by drug czars in those areas.

A Belizean official at a city Peace Corps desk hemmed and hawed when asked for comment, and the newspaper was unable to gain confirmation from the Embassy (telephone lines all busy), but an impeccable source confirmed that the police have informed the Peace Corps of the threats being made in that region against US citizens, so it is possible that the Peace Corps has indeed taken some precautions.

Recent arrests of leaders of the most publicized narcotics family in the south presumably triggered the threats.

FLASH: Impeccable sources say the Embassy has confirmed that their people have been recalled to the city for a couple days "until tempers cool."

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CSO: 3298/242



BRAZIL

THREE HUMAN RIGHTS ACCORDS SIGNED; SARNEY ADDRESS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Nov 85 p 5

[Speech by President Jose Sarney on 28 November at Planalto Palace, Brasilia, in a ceremony coinciding with submission of human-rights agreements to the National Congress for approval]

[Text] Brasilia--Three documents for Brazil's participation in international agreements on human, civil, political, social, cultural and economic rights were submitted yesterday by President Jose Sarney to the National Congress for approval. At a ceremony held in Planalto Palace he described them as instruments to guarantee freedom and justice to the citizen.

The United Nations pacts on civil and political rights and on economic and social rights, entered into in 1966, as well as the Pan-American Convention on Human Rights of 1969, are being submitted to Congress, according to President Sarney, as a step in the advancement of human dignity undertaken by the New Republic. "I am convinced that this is a fundamental step in the solemn commitment to the nation's democratic reconstruction," the president declared during the ceremony attended by the entire diplomatic corps accredited in Brasilia. At the president's side, besides Foreign Affairs Minister Olavo Setubal, was jurist Sobral Pinto, whose career was marked by the defense of human rights.

Foreign Minister Setubal opened the ceremony with a brief statement in which he called Brazil "a modern state, the destiny of whose development must pass along the road of the social and civil rights of its population." He added: "There is no democracy without respect for individual rights. There are no individual rights without democracy."

Pursuing the same line of thought, President Sarney recalled that human rights were a reason for the public demonstrations when the people took to the streets demanding change. The defense of this principle, according to the president, is everyone's duty. "The process and development mean nothing if freedom is stifled, rights are trampled on and mankind is oppressed. The peace and stability

of the world depend upon the preservation of freedom and the respect of all men, communities and nations for each other."

Without mentioning the names of any countries, the president regretted that "in many places, especially in those that believe the omnipresent state to be the solution to everything," there are methods of torture to obtain confessions or to control persons. To Sarney, "this is the worst evil, the worst cowardice. It is terrorism by the state." And, citing the Bible, the president said he believes that life is sacred. "Nothing affects our sovereignty more than the trampling of freedom, the violation of a right, the repression of a legitimate aspiration," he added. Respecting all rights, Sarney concluded, "Brazil will be entitled to take its place, to be a presence of peace in the world of tomorrow."

Torture, 'Terrorism of the State'

The president's entire speech is as follows:

Ladies and gentlemen:

I sign here the message that sends for approval by the National Congress Brazil's adherence to the American Convention on Human Rights and the United Nations pacts on civil and political rights and on economic, social and cultural rights.

I am convinced that this is a fundamental step in the solemn commitment to the nation's democratic reconstruction.

Human liberation and dignity are the highest values to which all democratic society aspires. They are, at the same time, an objective and instrument of all political action, of every project for constructing a more just nation. More just and more powerful, because only a nation that has human liberty and dignity has a right to aspire to any power.

When the Brazilian people took to the streets demanding change and reconciliation, the defense of human rights in Brazil took on the nature of a broad program, to be fulfilled by the whole nation and by all sectors of national life.

When the New Republic took office, it became engaged in fostering initiatives related to the essence of democratic freedoms. The visceral repudiation of every form of violence, whether on the part of the state or on the part of individuals. Absolute respect for law and justice; democratic association among the branches of government; restoration of full voting rights for choice of government officials at all levels; calling of the National Constituent Assembly; extinction of all forms of censorship; and the beginning of a broad national debate about the principal problems that affect the nation were some of the decisive steps that we took in this field.

Human rights are the very essence of the pluralism and the democratic coexistence that we intend to consolidate in Brazil. Their defense and advocacy are the duty of all. Progress and development mean nothing if freedom is stifled, rights are

trampled and men are oppressed. The peace and stability of the world depend upon preservation of freedom and the respect of all men, communities and nations for each other.

This is why the founders of the United Nations assigned that organization, as one of the means of preserving peace, the task of promoting the dignity of man wherever he was outraged by authoritarianism, by arbitrary powers, by force, by oppression, by poverty.

When I carried to the United Nations last September the word of this new Brazil that we are constructing, I announced, at the height of mankind's highest tribunal, before ourselves and before the whole international community, the nation's solemn, sovereign and irrevocable commitment to join all international efforts for guaranteeing the respect and protection of civil, political, social and cultural rights of all men.

I signed, on that occasion, the convention of the United Nations against torture and other cruel, inhumane or degrading treatment or penalties. I initiated, in the name of Brazil, and on the national level we have, since March of this year, tried to fulfill: creation of conditions to make the state itself a guardian of human rights in Brazil, in their broadest sense, to make each Brazilian a citizen in the fullest sense of the word. Our action abroad, with this qualitative change of concerns and objectives, demonstrates consistency and affinity with what we preach within our own borders.

The message I have just signed submits to the consideration of the National Congress the texts that already have the participation of a very substantial number of countries. In so doing we render our tribute to the work of advocating human rights on this continent, under the aegis of the Organization of American States, and throughout the world, under the inspiration of the United Nations.

Brazil thus adds an new area of contact with all the peoples of the world, and especially with the sister and neighboring nations of the Americas, in this historic stage of reconquest of freedom and reconstruction of democracy on the continent.

I am sure the political and juridical community of Brazil will be able to evaluate in all its great dimension the importance of Brazil's adherence to these conventions. Brazilian justice will acquire an additional instrument for achieving its objectives and Brazilian citizens will have at their disposal other devices to use to assure that the Brazilian State guarantees them justice and respects their rights and freedoms.

With this sovereign act, the Brazilian State seeks to strengthen the faith of its citizens in the Judicial Branch and in the laws and to make clear that in this country we are striving so that there is no possible room for denial of justice or for manifestly unjust or evil judgments.

Nothing affects our sovereignty more than trampling of freedom, violation of a right, repression of a legitimate aspiration.

Ladies and gentlemen,

I wish to say a special word--at this moment of reconciliation that the nation is experiencing, at this moment when we seek to cope with the problems that afflict the nation with the example of work--about the problem of torture and other inhumane treatment.

In many places, mainly where they believe that omnipresent states are the solution for everything, this instrument of obtaining confessions and of control, which was used in the Middle Ages and at other times in the history of the world, is again being used. But this is the worst depravity, the worst cowardice. It is state terrorism. It is an excess of power. And there is no way of hiding such cowardice.

I wish to say that I believe that human life is sacred. I believe in what the Gospel says: glory to God in the highest and on earth peace toward men of good will. And this results from the sacred gift of life, which is renewed in each birth of a new human being, as Christmas itself symbolizes.

All those who believe that life is sacred cannot remain silent at any injustice, much less those that physically afflict the body and mind of human beings.

I wish to say that respect for human rights, just as freedom of expression, regardless of political or religious belief, origin, race or sex, is the essential nucleus of freedom and justice. It is the essential nucleus of democracy and of the very life of society.

The world of peace, justice and stability to which we all aspire is a scene of full respect for human dignity, for freedom and for the fundamental rights of man.

And only in respecting them viscerally will Brazil be entitled to take a place, to be a presence of peace in the world of tomorrow.

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CSO: 3342/43

BRAZIL

# BC PROJECTS 1986 BALANCE OF PAYMENTS SURPLUS AT \$600 MILLION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Dec 85 p 39

[Text] Brasilia--The Central Bank [BC] is estimating a surplus of \$600 million in the 1986 balance of payments--the net result of all transactions between Brazil and the rest of the world--which means the government does not expect additional loans from foreign banks to be volunteered during that period. For this year, a surplus of \$700 million is expected; between January and September the amount was \$515 million. The data are included in the 9th Edition of the series "Brazil--Economic Program, Internal and External Adjustment," which the BC sent to the advisory committee on foreign debt in New York. The computations and editing of this document were supervised by the chief of the economic subcommittee of that agency of creditor banks, Douglas Smee, who arrived in the country incognito on 20 November.

In 1984, Brazil's balance of payments, which traditionally has only managed to be balanced with foreign borrowing, was \$7 billion in surplus, due to renegotiation of the debt, which resulted in new financing. Thus, 1985 will be the historic year in which the nation will manage to generate internally all the funds needed to pay for interest and imports, made possible thanks to the agreements that are postponing payment of the principal on the foreign debt, which if met this year would have required over \$5 billion.

From January through October, the trade surplus was \$10.2 billion, the result of exports of \$20.7 billion and imports of \$10.5 billion. Compared with the same period last year, exports fell 7 percent and imports fell 8.2 percent. While on the one hand goods that originally would have been exported were consumed domestically, in part, on the other hand there was a reduction in imports of crude oil (from January through October) of about \$4.5 billion. During the same period of 1984, the reduction of petroleum imports was \$5.6 billion. Thanks to less dependence on imported oil, it was possible to increase imports of other products by 3.6 percent in 1985. But even so there was a reduction in the total, as the lower expenditures for oil were aided by a reduction in international petroleum prices.

For the year 1985 as a whole, the trade balance is estimated at \$12.5 billion, with the BC predicting a surplus of \$1.091 billion in November (CACEX [Foreign Trade Department] data will be reported soon) and \$1.038 billion in December, so that by the end of the year the forecast will be fulfilled.

## Entry of Dollars

From January through September 1985, Brazil received foreign loans worth \$1.5 billion--including \$1.4 billion from international organizations (World Bank, IDB, etc.) and \$400 million in supplier credits, which arise through purchase of foreign goods on an installment basis, through bank credit. Moreover, this year Brazil did not receive any loan from the IMF, because the government that took office on 15 March is reluctant to sign another letter of intent, fearing an economic recession--the nation will thus not be able to count on the IMF to help close its external accounts.

## Trade Balance

The BC document to be analyzed by the foreign banks further shows that the nation progressed toward reducing its foreign dependency. A demonstration of this is that domestic economic reactivation is not being jeopardized by the reduction of either imports or exports.

At the domestic level, the document sent by the BC to the advisory committee on the foreign debt related that the "financing needs of the public sector--the IMF's broad concept of the deficit--reached between January and September 214.6 trillion cruzeiros, consisting of 210.8 trillion cruzeiros of domestic origin and only 3.8 trillion cruzeiros of foreign origin. During that period, rollover of government bonds (ORTN [Indexed National Treasury Bonds] and LTN [National Treasury Notes]) required 46.3 percent of the domestically-generated funds. State enterprises absorbed 92.2 trillion cruzeiros of domestic financing during that period, which explains in part the high interest rates prevailing in Brazil.

For 1985, the BC forecasts an increase of 7 percent in Gross Domestic Product (GDP)--the sum, in current prices, of all the goods and services supplied in the nation during the period--which will reach 1.329 quadrillion cruzeiros. Another important datum is that the government is forecasting a real growth of 4.4 percent in individual income (GDP per capita), after a decline of 4 percent in 1981, 1.5 percent in 1982, 5.5 percent in 1983 and a slight recovery of 2 percent in 1984, when the economy began to emerge from recession.

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BRAZIL

BRIEFS

1985 FOREIGN DEBT INTEREST--Brasilia--From January through September of this year, Brazil paid \$7.7 billion net interest on its foreign debt, and the Central Bank [BC] predicts that in the last quarter the amount will reach \$10.4 billion for the year (from January through September 1984 the nation spent \$7.4 billion on interest). According to the BC, the current period required more money for foreign-debt service because the average LIBOR [London Inter-Bank Offered Rate] rate (prevailing in London) rose from 10.31 percent to 10.68 percent. A trade surplus of \$9.1 billion from January through September and interest payments of \$7.7 billion in the same period indicates that 70 percent [as published; 85 percent?] of Brazil's net receipts from exports are used to pay interest on the foreign debt. The government estimates that in 1986 interest costs will fall to \$10 billion (4 percent less). According to the report "Brazil--Economic Program--Internal and External Adjustment," which the CB sent to the creditor banks, Brazil has \$8.6 billion in international cash reserves, which is money available at any moment. According to the IMF definition--cash plus credits receivable--Brazil's reserves rose to \$12.7 billion between January and September. Cash reserves are adequate, as they are sufficient to sustain imports for at least 6 months. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Dec 85 p 39] 8834

CSO: 3342/43

CHILE

PDC LEADER LAUNCHES 1986 POLITICAL PLATFORM

PY011440 Santiago Radio Chilena in Spanish 1630 GMT 31 Dec 85

[Text] During a ceremony held last night by the Christian Democratic Party [PDC] to pay homage to union leaders Jose Ruiz di Giorgio, Rodolfo Seguel, and Manuel Bustos, PDC President Gabriel Valdes launched the PDC's political platform for 1986: To strengthen the National Accord for the Transition to Full Democracy, and to accelerate the social mobilization. These objectives are part of the political plan for 1986.

After criticizing General Pinochet's intention to perpetuate himself in power and his destruction of the country's economy, Valdes proposed the objectives for 1986. We are going to maintain and strengthen the National Accord, Valdes stated.

[Begin Valdes recording] We are going to strengthen the Accord, which is a necessary instrument, our instrument for change. I do not agree with those who say that the accord will be distorted, that it will stay in square one until Pinochet shows imagination and decides to hold some talks to save his government. No. The Accord represents the desire of the overwhelming majority. [words indistinct] [end recording]

He added that since the path to negotiation has been blocked, we are going to make 1986 a year of mobilization and a year to strengthen the National Accord. [recorded passage indistinct]

We have therefore expressed our support for the Socialist Party's proposal to create a great social pact, an agreement for social justice, Valdes stated. We are going to talk to the socialists and the other parties about this intelligent and timely proposal, he added. He then referred to the social mobilization issue and its objectives: To obtain the implementation of the urgent measures proposed by the National Accord.

[Begin Valdes recording] Let us study, strengthen, and clearly outline the objectives of each sector. In so doing we will find that the solution to each sector's problems is the same. If we coordinate our efforts and solutions, we will be able to stage a mobilization to exact the implementation of the urgent measures proposed in the accord. We should



all agree on this because this is where we should start. The urgent measures represent the possibility of having the freedom to assemble. Let us remember this well: The O'Higgins Park rally demonstrated the people's strength. It represents a great victory. It also paved the way for other rallies in Puerto Montt, Antofagasta, Valparaiso, and Concepcion. But we are going to start looking for a way to implement our citizens' rights regardless of the repression. This is the only way for men who want freedom to behave. [end recording]

Valdes added that in 1986, we must fight for a congress elected by the people and endowed with constituent powers to fulfill the aspirations of the people.

[Begin Valdes recording] We must reach a fundamental objective. The people must decide, through free congressional elections, on the measures to be adopted. We do not accept the 1980 Constitution. We do not accept it, its text, or its spirit. [applause] We do not accept it because it is an instrument of the state, an instrument created to perpetuate one person, and this person is still profoundly unacceptable to the social order. He is profoundly unjust, an instrument to divide the national unity and the human rights of a free people. [end recording]

This is the essence of a nation, Valdes added, and we must achieve this in 1986. In this struggle we all have a place. We all have a responsibility, including the Armed Forces, he concluded.

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CSO: 3348/321

CHILE

SOCIALIST LEADER ON MOBILIZATION PLANS FOR 1986

PY011532 Santiago Radio Chilena in Spanish 1600 GMT 30 Dec 85

[Excerpt] Socialist leader Ricardo Lagos has said that 1986 will be the year of social mobilization. He also explained the purpose of the National Accord for Social Justice proposed by his party, and defined his position on the call for socialist unity issued by MAPU [United Popular Action Movement] and the socialist sector headed by [first name unknown] Gutierrez and [first name unknown] Mandujano.

Lagos explained that the situation at the end of 1985 is much clearer than it was when the year began because it is now obvious to everyone that Pinochet does not accept dialogue. Lagos emphasized that the process of attaining democracy must include agreement by all forces, and social mobilization. In this context, he referred to the possibility of an agreement between the Democratic Alliance [AD] and the Popular Democratic Movement [MDP] to carry out joint social mobilizations.

[Begin Lagos recording] Within this context, I believe that the AD's response to the MDP proposal on the possibility of mobilization will follow guidelines established long ago, that is, the need for a broad agreement on the basis of a commonly agreed-upon strategy. In this regard, I believe no one should be rejected outright but at the same time no one should expect to sit at the table and impose his own strategy or his own concept of how to carry out social mobilization in the country. The ways to carry out mobilization must be resolved by all of us in common agreement, and the AD is going to respond to the letter sent by the MDP on this basis. [end recording]

Lagos also referred to the idea of complementing the National Accord for the Transition to Full Democracy with a National Accord for Social Justice proposed by his party.

[Begin Lagos recording] The basic idea of this proposal is that just as the National Accord for the Transition to Full Democracy is a set of principles by which all the parties signing the accord commit themselves to democracy under a democratic system and by which immediate measures can be implemented, we socialists also believe it is necessary to seek

principles in the socioeconomic field to re-establish the equilibrium lost during 12 years of authoritarianism in the country. In other words, the serious crisis and the economic model implemented by the government have harmed the working class in terms of a fall in real salaries, the highest unemployment figures in Latin America, a highly unequal distribution of income, and the enrichment of large economic conglomerates protected by government economic policies. [end recording]

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CSO: 3348/321

CHILE

LAVANDERO EVALUATES U.S. POSITION TOWARD CHILE

PY192150 Santiago Radio Chilena in Spanish 1600 GMT 19 Dec 85

[Text] Harry Barnes [U.S. Ambassador], continues to disturb many politicians, but this does not concern him, and he continues to meet with whomever he so desires. Jorge Lavandero [leader of the National Development Project (PRODEN) and former Christian Democratic Party senator], has a personal opinion about why the U.S. Government is so concerned about Chile. This is what he told our radio station.

[Begin recording] Pinochet's permanence in a nondemocratic government is very serious for the rest of Latin America and is even creating problems for the U.S. Government. Now, for the first time, there is an agreement between the State Department and the Pentagon on the need to reestablish democracy here as soon as possible. [end recording]

Jorge Lavandero has labeled Barnes as the fifth man in the State Department, a first-rate ambassador as he was considered at the international level when he was in India. He was sent to Chile to help speed up, without getting involved, the reestablishment of democracy. Lavandero believes, however, that there are some problems.

[Begin Lavandero recording] This first-rate ambassador, this star, is here to help the democratization of the country. I believe that the worst thing that Pinochet could do is to declare him persona non grata because if that happens another ambassador with less subtleness and more formality would be sent or relations with Chile might be broken. The people should know that not only the State Department, and the Pentagon but also economic agreements, and a position toward Chile are involved here. It could be very serious if Pinochet fails to understand the hardships he would bring upon the Chilean people due to his stubbornness not to democratize the country as he promised when he took over. [end recording]

Lavandero said that if the democratization does not take place, the U.S. Government would impose economic sanctions on Chile. He added that the EEC would take the same stand.

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CSO: 3348/298

CHILE

CNT LEADERSHIP MEETS WITH HUMAN RIGHTS OBSERVER

PY171550 Santiago Radio Chilena in Spanish 2200 GMT 16 Dec 85

[Text] The leadership of the National Workers Command [CNT], headed by CNT President Rodolfo Seguel, this afternoon held a 1-hour meeting with UN human rights observer Fernando Volio.

Rodolfo Seguel reported details of the meeting to Radio Chilena:

[Begin Seguel recording] The CNT and all national organizations in general have come here to talk with Mr Volio. We met for only about 45 minutes, because many people are waiting to see him. We gave him a folder containing specific detailed information on the persecution that union organizations have been subjected to; the raids against the different union organizations; the kidnappings of union leaders; what has happened to top-ranking CNT leaders. We also explained why CNT leaders are under arrest, why we were arrested, and what happened during the recent prison riot.

We talked for 1 hour about everything that has happened to the labor movement. We obviously needed much more time, but there were many people waiting to see him to give evidence on human rights violations.

Volio intently listened to us, and we as workers sincerely hope that the information we provided him with will help him in his task to learn more about the situation we are experiencing. [end recording]

Seguel noted that the case involving union leader (Rodemil) Aranda, who is under arrest at the disposal of the Rancagua military court, was particularly mentioned. He said that the raids against union headquarters were also mentioned.

Seguel said that the UN human rights observer took notes, made some recordings, and showed great interest in the information that was provided by the CNT.

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CSO: 3348/298

CHILE

BISHOPS CONCERNED OVER SITUATION

PY190246 Santiago Radio Chilena in Spanish 2300 GMT 18 Dec 85

[Excerpt] After holding a meeting in Punta de Tralca, the Chilean bishops today issued a statement regarding their views on several aspects of the national life. What are the issues which particularly concern bishops? We have this report by Patricia Rodriguez:

The bishops are concerned about the situation in Chile, particularly because, as they stated today, they have confirmed that there have been no major changes since the study carried out by the bishop's conference in June. This statement was made by Chilean Episcopate Conference secretary general Monsignor Sergio Contreras.

[Begin Contreras recording] The national situation, based on a study produced by the National Justice and Peace Commission, which was previously submitted to the bishops, the bishops' assembly has concluded that there have been no major changes with the respect to the findings of the study carried out in June.

The conclusions of that study, which were included in the guidelines for pastoral action, are still painfully evident. Poverty and misery still affect many people, while the hopes and values of the youth, who are currently the most vulnerable group, have no horizons. Political polarization and the lack of broader social participation channels have deepened the wounds of the people and have hindered social coexistence. [end recording]

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CSO: 3348/298

CHILE

MIR LEADER ADDRESSES ARMED FORCES

PY201652 Santiago ANALISIS in Spanish 17-23 Dec 85 Special Insert

[Text] Issues that lie at the heart of any discussion among those who truly want democracy in Chile include: The Chilean Armed Forces, their responsibility for the violation of human rights in Chile, and how to avoid their involvement with a regime akin to the current one in the future. Thus, I have felt it would be appropriate to disseminate the following document prepared by Andres Pascal Allende [Movement of the Revolutionary Left, MIR, secretary general] that has been circulating privately in Chile.

[Signed] Rafael Maroto [former priest and MIR activist]

I. Introduction

1. As people go into action to regain freedom, and popular rebellion begins to spread seeking to topple the dictatorship and restore democracy, the monstrous methods of the military regime to keep its hold on power begin to come out into the light.

Evidence that the overwhelming majority of the people want Pinochet's regime out is prompting a growing number of repenters to join the ranks of the dissidents. The foundations of the dictator and his regime have begun to crumble on all sides. Disagreements have been increasing within the power structure, even among the various repressive agencies.

Although the Chilean judiciary has been unable so far to overcome the obscurantism and the moral crisis into which it has been plunged by corrupt judges, there are men in the judiciary who have paid heed to the people's clamour and are beginning to investigate the crimes that have been perpetrated over these 12 years of dictatorship. Pinochet is trying to restore the monolithic power of the Armed Forces and the law-enforcement forces--currently in jeopardy--spurred by the fear of justice, which both Chile and the international community are seeking.

2. In view of this situation, we believe it is a basic duty of the popular forces and the revolutionaries to clearly explain to the people, the Armed Forces and the law-enforcement forces, our concept of the inalienable justice that must be assured for the crimes against humanity perpetrated

by the current regime. We also believe it is necessary to explain the need for and the meaning of what we understand as democratization of the Armed Forces, one of the main objectives in the quest for democracy. We do this, thinking about Chile's future and the need to lay a solid foundation that will make historically irreversible the freedom that will be attained after a great deal of effort. We shall do so in order to thwart Pinochet's maneuver to maintain the false unity of his forces through the fear of the future, because this future will be one of justice, not revenge. We also want our thoughts to feed the broad and necessary debate of these burning issues by all democratic and popular forces, by all the social organizations that epitomize democratic values, bringing together all the forces that are permanently struggling for the reinstatement of democracy in Chile.

We believe that tackling these issues, as our people are firmly marching toward freedom, is a patriotic duty. Delaying this task is tantamount to helping the regime retain its hold on power and continue its actions with impunity, just as it has been doing all these years.

## II. Justice and Not Vengeance

1. The Chilean people have been expressing in every possible manner their deep-rooted longing for justice in light of the crimes that the military regime has perpetrated against their best children. In his own mind, every Chilean is convinced that no crime can be ignored, for it is the only way the wounds that have split the heart of our people will heal. Only thus will we be able to prevent the fatherland from plunging into a confrontation. Without justice, peace and democracy will lack firm foundations. Therefore, we want judgment and punishment for the culprits. Chileans must be kept informed of the crimes and the lawsuits resulting from them by means of public trials and a broad use of social media so that, aware of the brutality with which the dictatorship has operated, our people can struggle to make sure that NEVER AGAIN will it come true in Chile.

2. Meanwhile, the military men and the members of the sinister security agencies created by the regime are beginning to realize all they have done. Some of the members of these organizations are beginning to show signs of repentance, compelled by the spreading popular rebellion and the widespread repudiation to which they are being subjected. In view of this, our position is that the information supplied by these repenters, conducive to the clarification of the crimes in which they may have participated directly or indirectly, be considered an extenuating circumstance.

No crime can be left unpunished but showing some consideration toward those who truly repent and prove their repentance is a sign of generosity and moral strength. At the same time, those who continue to carry out repressive actions, incapable of putting an end to this homicidal madness, deserve exemplary punishment. We shall not rest until the advocates, those responsible for, and the perpetrators of crimes that have caused worldwide uproar, actions that both national and international opinion consider crimes against humanity, are duly punished because no one could let them get away from judgment and retribution.



3. In addition, we state, with our firmest conviction as revolutionaries, that the clarification of the fate of the missing political prisoners is not subject to negotiation. The people will not let a mantle of oblivion fall on this. No mother, son, or brother of a missing political prisoner would forgive the holding of negotiations on the fate of their loved ones. And we espouse this mandate of the relatives. Not doing so would be to betray those comrades who now serve as our banners in the struggle to achieve freedom. On the other hand, no Chilean citizen with the least ethical-moral substance would accept that this nightmare that has darkened this part of our history be subjected to clumsy bargains. The Chilean people would then be unable to reach peace and true democracy; they would be unable to reconcile among themselves and undertake the reconstruction of their future unless the people are capable of getting to the truth and punishing the culprits of such atrocious crimes.

4. We also feel that even the most despicable criminals should be legally tried, ensuring them a right to defend themselves, staging public hearings. This is in keeping with our concept of man, of the brotherly society we aim to build, and our democratic concept of human rights. This is what makes man different from animals. This is what makes democrats and revolutionaries different from tyrants and murderers. Although many of those who will be prosecuted have been the masterminds and perpetrators of crimes that have plunged Chile and thousands of homes into mourning, they will be tried by qualified courts presided over by judges who now have the dignity and the courage to do justice even at the risk of their own security.

5. This conviction of having justice prevail over vengeance cannot be mistaken for weakness. On the contrary, the strength of our ideas, the rightfulness of our socialist ideas, massively supported by our people, is what leads us to formulate these outlines. Our democratic-popular calling moves us to be extremely severe in the enforcement of justice. This is our concept of the Chile we aim to build with lawfulness, democracy, and freedom prevailing. Freedom forces us to determine the ways justice will be enforced against those who destroyed democracy and imposed by fire and sword the dictatorial regime headed by Pinochet.

6. The members of the Armed Forces, who are accountable for the crimes and believe that they will escape justice by perpetuating the military regime and continuing the repression against the people, are making a very serious mistake. Our people are not willing to submissively accept oppression. They have started to exercise their legitimate right to defend themselves against repression and to rebel against the tyranny. The longer the dictatorship stays in power, the more aggressive and widespread rebellion will be. The Pinochet Administration will inevitably fall and justice will be done.

7. In conclusion, in order to prevent repression and crimes against the people from repeating itself, we believe it is indispensable for the new democratic system we establish in our fatherland to do away with the

CNI [National Intelligence Center] and the rest of the repressive apparatus created by the dictatorship. The existence of these almighty repressive agencies which employ criminal methods against which the people have no defense, is incompatible with a real democracy.

### III. Redemocratization of the Armed Forces

1. In today's Chile, we, consistent democrats, should speak about what will be done with the Armed Forces when the dictatorship fails to prevent them from threatening the democratic coexistence we have worked so hard to attain. A decision on this subject is a vital issue. This is why our popular, national, democratic project considers it to be fundamental to redemocratize the Armed Forces and the forces of order. We are speaking of the same Armed Forces that the government has turned into the gendarmes of their own people, and the occupation force of their own territory, without ever arousing a reaction from the large majority of its members. We are speaking of the Armed Forces that were transformed into an instrument of the monopolistic financial backing of U.S. imperialism, and of which only a small number of officers, soldiers, and Navy members had the courage to disobey commands in 1973. The Chilean Armed Forces were formed by doctrines made up by the U.S. Pentagon. These are doctrines based on an ideology of the relentless defense of the values favorable to the enemies of our country. The National Security Doctrine, which has been the mainstay of the Armed Forces, is their inspiration to attack the working people and all those who have raised their voice to defend democracy. This counter insurgency policy considers our people to be its enemy and has imposed an antinational character on the Armed Forces.

2. This is why it is imperative that, together with the political, economic, and social transformations that will necessarily have to come in the future Chile, the Armed Forces and forces of order be simultaneously democratized and transformed.

If this imperative is not fulfilled, the democratization task that the entire country is demanding will be left unfinished, giving rise to a situation in which the Armed Forces will maintain their anti-democratic stand and their dependence on U.S. imperialism. The new Armed Forces that we need must be part of a democratic, national, and popular project, and must respect our sovereignty and defend the interests of the people. The foundations upon which the democratic Armed Forces are to be built will be found in our history, in the wars waged by our Mapuche forefathers, in our war for independence, in the ideas of the people's democratic forces, and in those patriotic military men who have been the victims of the repressive actions of the current commanders--this is the vast majority of the people--because they have remained loyal to people's demands.

3. We believe that the transformation of the armed forces must be based on four main premises:

a. The primary objective of the new Armed Forces must be to defend the people's sovereignty, to participate in the building of democracy, and to

preserve it. The Armed Forces must not confront the people; they must be part of the people. They must follow a democratic doctrine, and they must be part of the people. They must follow a democratic doctrine, and they must respect the institutions and the government that the people have freely and democratically chosen. All the repressive mechanisms and functions within the Armed Forces and the forces of order must be eliminated.

b. The Armed Forces must be guided by a national doctrine that will defend the interests of the fatherland and the people. This entails the eradication from within the Armed Forces of all the training materials and courses, both at home and abroad, which are based on the Pentagon's mandates and on imperialism interests. It also involves the elimination of all the principles of the national security doctrine, under which the Armed Forces members are considered the enemies and repressors of their own people, instead of the guardians of our borders.

c. The transformation of the Armed Forces must be part of a national development process, which should be based on the people's participation and on an economic model in which the strategic areas should not depend on either foreign monopolistic capital or imperialism. This means that the Armed Forces must defend our fatherland's resources and heritage and that, therefore, they must be on the alert against the multinational companies' voracious attempts to fleece our country.

d. The Armed Forces must be inserted into a regional and continental strategy that should encourage solidarity among democratic peoples and governments, based on the defense of the national sovereignty and of the economic, sociopolitical, and cultural heritage of our peoples. The armed forces will have to break with the Inter-American Reciprocal Assistance Treaty, TIAR, and promote the creation of a Latin American Defense Board and a defense treaty for the entire Latin American fatherland.

4. As to the actual democratization of the Armed Forces, we believe the following to be essential:

a. The ranks must be purged of all military men unworthy of wearing the fatherland's uniform for having participated in the repression of the people, having disrupted the democratic system, having violated human rights, and for being involved in or having benefited from the corruption that the current commanders have instituted.

On the other hand, the Armed Forces must retain members who have performed in a professional and honorable manner, those who have not been enticed by corruption and who are not involved in crimes against the people, and those who are willing to help the quest for democracy at this crucial period for the fatherland.

All those who have been expelled from the Armed Forces and the law enforcement forces for remaining faithful to their democratic convictions and defending the rights of our people must be reinstated.

b. The command structure must be made up of officers who struggle and will continue to struggle side by side with the people for the overthrow of Pinochet's dictatorship, people whose goal is to put the Armed Forces on the people's side and not against them. That is, military officers who believe in Armed Forces that are respectful of the people's will and subordinate to the democratic state and the new constitution that the people will approve through a plebiscite once the dictatorship is toppled.

c. Current discriminatory practices that deprive of the right to join the Armed Forces and the law-enforcement forces citizens who are not part of or vouched for by the military regime, thereby closing the doors of officers' schools to youths from poor families must be eliminated.

The new Armed Forces must eradicate all social and political discrimination assuring all young citizens of the right to enter the Armed Forces and be subject to an impartial selection. A single grade structure must be established to make sure that new officers are chosen from among the best noncommissioned officers and that promotions will be granted following strictly professional criteria. An end must be put to the humiliating treatment to which officers subject the troops and to the privileges and other kinds of social discrimination in armed institutions.

d. We favor compulsory military service provided the current time of service is reduced. We believe that in order to establish a bond between the civilian society and the Armed Forces, there must be a Citizens Militia made up by drafters and Armed Forces reserve personnel. The institution of Citizens Militia has precedents during the very beginning of Chile's struggle for independence. As part of the Armed Forces they help guarantee popular sovereignty and at the same actively involve the people in the defense of national sovereignty.

e. The new democratic state must take care to supply the Armed Forces with all the material and technical means necessary for them to fulfill their mission of defending national and popular sovereignty but at the same time it must avoid engaging in an arms race. All expenses and means related to the repression of the people must be eliminated. Honorable wages, in keeping with their professional requirements must be established for permanent Armed Forces personnel but the system of privileges instituted by the current dictatorial regime must be terminated. The outrageous discrimination in terms of wages and privileges for the officers must also be eliminated, and a fair wage structure must be established for troops and noncommissioned officers.

f. As far as professional education is concerned, we want the members of all Armed Forces branches trained within the framework of a single military democratic and nationalist doctrine for the defense of national and popular sovereignty so that they can make good use of the resources available for defense and so that the commanders respect the right of the authorities chosen by the people to define the defense policy. The promotions to decision-making cadres must be approved by the branches of the democratic state.

g. Military discipline and hierarchy must be based on popular democratic values and follow the examples of our forefathers (Caupolican, Lautaro, etc) and of the fatherland's founding fathers (O'Higgins, Carrera, Rodriguez, etc) and the thoughts of contemporary military who had enough foresight to interpret the democratic aspirations of our people such as General Rene Schneider and General Carlos Prats, both killed by traitors. The authority of the commanders must stem from their moral strength, ethics, love for the people and respect for their subordinates.

h. The members of permanent military cadres should be military citizens with a right to vote and to participate, if they wish to, in the political affairs of the country. The educational programs must take the people into account. Military men must be taught nationalist and democratic beliefs that guarantee our people's right to choose the political, economic and social system they deem most appropriate. They must be trained to be part of the people, not to live in isolation.

We insist that the Armed Forces must be made part of the people by training them at civilian vocational schools, academies and universities and completing their education at military institutions. The point is to avoid the cloistered life of Armed Forces members, a situation that is especially true in the case of officers who know only barracks life from the age of fifteen.

i. We believe it necessary to eliminate the present structure of the military clergy because of its behavior contrary to popular and democratic interests throughout the dictatorship, a situation which has even placed this clergy at odds with the Catholic Church, and also because we believe in religious freedom. Thus, the various churches should be able to offer their services through their regional organizations that must foster the idea that the military are servants of popular sovereignty.

j. As far as the administration of justice is concerned, we feel that the new Chilean constitution that will go into effect under the democratic rule must provide that civilian courts will have jurisdiction over military institutions. This does not mean that there is no need to have an Armed Forces code of military discipline.

Fellow countrymen:

These ideas are part of our democratic, nationalist and popular proposal that we put up for the debate that is bound to take place among the opposition. It is clear to everyone that because of their importance the two subjects we have dealt with are key elements in the quest for antidictatorial unity. Furthermore, in addition to being a concern of the civilian society, they awaken doubts among the members of the Armed Forces.

They must understand that by taking upon themselves the role of the armed branch of monopolistic capital and imperialism, by becoming the spearhead

and main pillar of an antipopular dictatorial regime, the Armed Forces have written the blackest chapter of their own history and of the history of the fatherland. By remaining the main enemy of democracy the Armed Forces are fueling the legitimate and necessary popular rebellion. If the Armed Forces continue to repress the Chilean people's drive for democratic sovereignty, they will inevitably plunge our fatherland in a serious and sorrowful confrontation.

Justice for crimes committed in the course of repression and the redemocratization of the Armed Forces and the law-enforcement forces, are a historic duty without which Chile will not attain true popular and nationalist sovereignty, real democracy or firm social peace. No truly democratic social or political organization can fail to clearly state its position on this issue which is so crucial for the new and free society we are struggling for.

[Signed] Andres Pascal Allende

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CSO: 3348/298

CHILE

# AIR FORCE OFFICER RETURNS TO AFRICA

PY312200 Santiago Domestic Service in Spanish 1630 GMT 31 Dec 85

[Text] Roberto Fuentes Morrison, Air Force reserve squadron commander, is completely free to return to South Africa in order to continue the specialization course he had to interrupt and which ends in June 1986.

The Air Force commander returned to Africa yesterday, Monday 30 December. Fuentes Morrison left Santiago at 1800 aboard a commercial flight.

This information was disclosed this morning through an official communique released by the Chilean Air Force which textually states: Squadron Commander Roberto Fuentes Morrison, who was aboard attending a specialization course, was summoned for inquiries in connection with the investigations being carried out by special Judge Carlos Cerda Fernandez.

Accordingly, Air Force General Fernando Matthei, commander in chief of the Chilean Air Force and member of the Honorable Government Junta, immediately ordered that the commander return and place himself at the disposal of the corresponding court.

Squadron Commander Roberto Fuentes Morrison returned to the country in October and placed himself at the disposal of the special judge who, after a few interviews ordered Fuentes Morrison to remain in the country for the period of 60 days.

After having completed the 60 days ordered by the judge, Roberto Fuentes Morrison was once again summoned for inquiries and was declared completely free to return to South Africa to complete the specialization course that will end in June 1986.

Fuentes Morrison returned to South Africa at 1800 yesterday aboard a commercial flight.

The official communique issued by the Chilean Air Force public relations department ends by stating that the Chilean Air Force once again reiterates to the public opinion and full and complete cooperation of its members with the requests made by the courts.

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CSO: 3348/321



CHILE

PERFORMANCE OF ECONOMY, PROSPECTS VIEWED

PY211542 Santiago Domestic Service in Spanish 2200 GMT 20 Dec 85

[Text] The government's main goal for 1986 is to raise the employment level through the sustained growth of our economy. This statement was made by Finance Minister Hernan Bucci, who spoke briefly about the work by his ministry. Bucci outlined the prospects for 1986.

[Begin Bucci recording] The challenge of 1985 has been to maintain a moderate but positive growth rate that to make it possible to raise the level of employment. This is the main problem we are confronting. We began to work for this objective with the measures enacted in the fourth quarter of 1984. One of the government's top objectives is to provide productive, stable jobs. Therefore, the challenge has been to cope with adverse international conditions without hindering the moderate growth of our economy, of our GNP, and of the level of employment. [end recording]

The minister added that it has been possible to compensate for the loss caused by the additional deterioration of the terms of trade in 1985. He stressed that this result has been achieved based on a moderate growth rate estimated at approximately 2 percent.

Concerning unemployment, the minister referred to recent major achievements, and pointed to the equilibrium reached in the balance of payments.

[Begin Bucci recording] The level of employment has been substantially increased. The rise in the number of employed people is considerably higher than the GNP growth. Even though the figures depend on the statistical data, the number of productive jobs has grown by more than 4 percent. Despite the deteriorated international situation, it has been possible to bring the balance of payments into equilibrium with the foreign financial resources that have been negotiated throughout the year. Two agreements were signed before the end of the year, and the respective foreign currency resources have already been transferred to the Central Bank, where they have been available since last Monday. These resources have compensated for the hard currency reserves we used over the year to maintain our moderate growth and raise the level of employment. [end recording]



Minister Bucci also stressed the favorable terms of the foreign debt renegotiation, and the transfer of \$714 million to Chile last Monday. This credit will increase the level of Chilean reserves.

[Begin Bucci recording] We have estimated a reasonable growth rate, between 3 and 5 percent, for 1986, based on a foreign financing scheme which has already been partially arranged. We believe this is a reasonable figure. If external conditions are more favorable, the figure will be higher. However, if such conditions remain unfavorable, as in recent months, the figure will be closer to 3 percent. [end recording]

The minister said the Chilean inflation rate can be reduced to 15 to 20 percent. He added that the level of employment will rise substantially in 1986, thus helping solve the basic problems of the economy.

The minister concluded by saying that next week he will meet newsmen to give more details on the work done by his ministry.

/12858

CSO: 3348/298

CHILE

BRIEFS

LONGSHOREMEN LEAVE ILO, ECLA HEADQUARTERS--Longshoremen, who had occupied the ILO and ECLA headquarters in Santiago to call attention to the labor conflict they have been involved in since 30 October and to protest against the arrest of nine longshoremen who are at the disposal of military courts, today left the headquarters of the international organizations. Sergio Aguirre, president of the Confederation of People Related to Sea Affairs, [Confederation de Gente de Mar], CONGEMAR, has noted that they are in the 43d day of labor conflict, which is mainly taking place in San Antonio where 850 of the 1,150 workers, are still holding a stoppage. The leader said that men and women have been placed at the disposal of military courts simply because they have protested against the labor situation in a peaceful manner. Among those arrested are Walter Aztorga, CONGEMAR secretary; (?Sarateo) Sanchez, CONGEMAR vice president; and Heriberto Jara, president of the Valparaiso longshoremen union, among others. Also under arrest are two women, one of whom is the wife of CONGEMAR president, Sergio Aguirre. [Excerpt] [Santiago Radio Chilena in Spanish 1600 GMT 17 Dec 85 PY] /12858

NEWSMEN INDICTED--Judge advocate Major Lorenzo Andrade, of the 2d military court, has indicted journalists Claudio Perez and Oscar Navarro, of FORTIN MAPOCHO and APSI magazine, respectively, on charges of having offended Carabineros. The two journalists were arrested on 10 December while covering various incidents in downtown Santiago. Friends of the two journalists have said that lawyer (Ingrid Tomke) will request that they be released on bail. [Text] [Santiago Domestic Service in Spanish 2200 GMT 17 Dec 85 PY] /12858

JOURNALISTS DEMAND RELEASE OF NEWSMEN--Santiago, 18 Dec (AFP)--More than 50 Chilean journalists today staged a peaceful demonstration in front of the La Moneda presidential building in Santiago to demand that Father Renato Hevia, director of MENSAJE--a Catholic magazine--in jail for 2 weeks, be released. The demonstrators also asked for the release of photographers Claudio Perez, of the FORTIN MAPOCHO newspaper, and Oscar Navarro, of APSI magazine, who were arrested on 10 December while covering incidents in downtown Santiago. Father Hevia, a Jesuit priest, is being prosecuted for the publication of articles that have allegedly insulted president General Augusto Pinochet. The photographers have been charged with insulting the policemen who were controlling the incidents. Upon leaving Government House, Ignacio Gonzalez, the president of the Chilean college of journalists, said: We gave a note to the interior minister asking that the charges against Father Hevia be dropped. [Text] [Paris AFP in Spanish 2203 GMT 18 Dec 85 PY] /12858

CONSTRUCTION OF METHANOL PLANT--Construction of the largest methanol plant in South America will begin during the first 3 months of 1986 in Cabo Negro in the Magallanes Province. A contract was signed by the Chilean Government represented by Finance Minister Hernan Buchi and the (Signal)-Methanol company representative Paul (Meister). It is expected that \$6.6 billion worth of methanol will be produced at the plant, the initial investment of which was \$300 million. [Summary] [Santiago Domestic Service in Spanish 1630 GMT 17 Dec 85 PY] /12858

FORMER AMBASSADOR COMMENTS ON BARNES--Rodomiro Tomic, who was Chilean ambassador to the United States, senator, and presidential candidate in 1970, also answered questions about the diplomatic activities of the U.S. ambassador in Chile. [Begin Tomic recording] The criticism is really amazing. What is the duty of an ambassador? The duty of an ambassador is to obtain information to be able to inform, to guide himself and the government he represents. Otherwise, what would be the meaning of the embassies if all they did was pay homage to the men in power in governments or countries? The national interests of Chile or of the United States do not identify with the personal interests of the men who happen to hold power in Chile or in the United States. In my opinion, U.S. Ambassador Barnes is fulfilling the basic tasks of a diplomat to obtain information and guide himself to be able to inform and guide the government he represents. [end recording] Rodomiro Tomic said that the accusation that Harry Barnes' diplomatic activities are an interference in Chilean internal affairs is absurd. [Excerpt] [Santiago Radio Chilena in Spanish 1600 GMT 20 Dec 85 PY] /12858

INTELSAT TRANSMISSIONS TO ANTARCTICA--Santiago, 12 Dec (AFP)--The National Telecommunications Enterprise (ENTEL) reported today in Santiago that Chile will extend its television transmissions to the lonely Antarctic continent as of next January. The 20 settlers who live in remote Las Estrellas settlement, more than 3,000 km from Santiago, will receive the news instantly, as well as the Chilean Air Force (FACH) personnel living at Marsh Base. The state television will be transmitted to the Antarctic through an INTELSAT (International Organization of Telecommunications by Satellite) Satellite located over the Atlantic Ocean. [Text] [Paris AFP in Spanish 2140 GMT 12 Dec 85 PY] /9738

POLITICAL PRISONERS STAGE STRIKE--Santiago, 14 Dec (EFE)--More than 100 political prisoners held in different prisons throughout the country declared hunger strikes while some of their relatives peacefully entered the embassies of Venezuela and Australia to call the attention to this problem. According to reports released by relatives of the political prisoners at the Santiago penitentiary, nine hunger strikers have already lost between 5 and 7 kg in 5 days of hunger strike during which they have not taken any type of food. To these we can add 60 more from the prison in the capital, 15 from Antofagasta prison, 18 from San Miguel neighborhood in Santiago, and several women--the precise number is unknown--from the Coronel prison. The leaders of the relatives of the political prisoners today thanked the Cardinal Archbishop of Santiago, Juan Francisco Fresno, and the presidents of the bar association and of the Chilean medical college for their solidarity. [Text] [Madrid EFE in Spanish 1559 GMT 14 Dec 85 PY] /9738

OPPOSITION MAGAZINE NEWSMEN ARRESTED--Santiago, 14 Dec (EFE)--Two journalists of opposition magazines were arrested while covering street incidents in Santiago. There were nearly ten other newsmen covering the same incidents. According to an official report, journalists Claudio Perez of APSI magazine, and Oscar Navarro of FORTIN MAPOCHO were detained on the grounds that they mistreated the Carabineros. Jose Galiano, the journalists' lawyer, said the charges are "absolutely false and groundless." He added that "the two professionals were detained 15 minutes after they left a meeting with Fernando Volio Jimenez, the special human rights observer, who is currently visiting Chile." [Text] [Madrid EFE in Spanish 2221 GMT 14 Dec 85 PY] /9738

LABOR LEADER DISCUSSES ACCORD--The only outstanding event in 1985 was the signing of the "National Accord for the Transition to Full Democracy." To force the military government to negotiate the terms of this agreement, the country will have to go on a general stoppage early in 1986. This statement was made to the "Primera Plana" radio program by Hernol Flores, the president of ANEF [National Association of Government Employees] and the secretary general of the Democratic Labor Central. Flores said the National Accord has considerable significance for the workers. [Begin Flores recording] Beyond all doubt, the only outstanding event of 1985 was the signing of the "National Accord for the Transition to Full Democracy." Even though this is an exclusively political document, it has considerable significance for us workers, because it echoes the aspirations and hopes of a vast majority of the people, who expect to restore freedom and democracy in a peaceful, reasonable, and civilized manner. For us, for the Democratic Labor Central, this was the outstanding event of 1985. [end recording] Flores added that the challenge to be faced in 1986 has to do with the National Accord. This challenge involves the definitions that must be given early in 1986. He said speeches and excuses are no longer valid. Those who support democracy and those who repudiate totalitarianism and violence must strongly unite. He concluded by saying that all the people must give a clear and categorical answer, and by reiterating that the military government must sit and negotiate. To achieve this objective, he said, the country must go on a general strike as soon as possible, probably in January, when the people must stay in their homes for at least 24 hours. [Text] [Santiago Radio Chilena in Spanish 2300 GMT 30 Dec 85 PY] /9738

6 ARRESTED WOMEN'S LEADERS RELEASED--Santiago, 30 Dec (AFP)--Official sources have reported that six Chilean women's leaders, who were arrested during a demonstration against the government of General Augusto Pinochet, were released in Santiago today after a 4-day imprisonment. The demonstration was held on 26 December when more than 100 women gathered in front of the Santiago Cathedral and delivered food for the soup kitchen of unemployed workers. The police dispersed them using tear gas and arrested Doctors Fanny Pollarolo and Haydee Lopez, journalists Monica Gonzalez and Sandra Palestro, teacher Monica Araya, and social worker Monica Berger. The six leaders of the Women for Life organization early today left the police station where they had been held. The authorities filed no charges against them. [Text] [Paris AFP in Spanish 1426 GMT 30 Dec 85 PY] /9738

COURT REJECTS UNION LEADERS' APPEAL--The Supreme Court has rejected an appeal made by nine union leaders who have been disqualified from carrying out their duties. The decision to disqualify the union leaders was taken by the Labor Directorate, and it affects El Salvador Labor Unions No. 1 and No. 6. Moreover, the Copper Corporation requested the disqualification of the union leaders owing to their participation in organizing and staging strikes. The following is the list of persons disqualified from acting as union leaders: Sergio Barriga, of El Salvador Regional Union; Sabino Perez, Nelson Rivera, and Juan Luan of Labor Union No. 1; and Ruben Rivera, Egidio Masias, Raul Montecinos, Gustavo Rivera, and Jose Escobar of Labor Union No. 6. [Excerpt] [Santiago Domestic Service in Spanish 1000 GMT 31 Dec 85 PY] /9738

CSO: 3348/321

COLOMBIA

#### NATIONAL ELECTORAL COUNCIL MEMBERS APPOINTED

Bogota EL TIEMPO in Spanish 4 Dec 85 p 6-A

[Article by Ismael Enrique Arenas]

[Excerpts] The National Electoral Council, the new agency that is succeeding the former Electoral Court, was put in place yesterday when its seven members were named and the list of co-judges was drawn up.

The country's highest electoral officials will serve for a 4-year term, which began on 1 September of this year. The Council comprises three Liberals (Abdon Espinosa Valderrama, Mario Delgado Echeverri and Hernan Villamarin Gutierrez), three Conservatives (Alfredo Araujo Grau, Hernan Giraldo Zuluaga and Luis Cordoba Marino), and Diego Montana Cuellar, representing the Democratic Front. The latter group came in behind the traditional parties in the last elections.

Abdon Espinosa Valderrama is a former finance minister, and until recently served as ambassador to Spain. Delgado Echeverri is a brilliant jurist from Pereira, and Villamarin Gutierrez is rector of the Autonomous University. Alfredo Araujo Grau has also served as minister and ambassador. Giraldo Zuluaga voluntarily resigned a short time ago from the Supreme Court of Justice, and Luis Cordoba Marino has held the highest positions in the jurisdiction. Montana Cuellar held a similar post in the Electoral Court.

The National Electoral Council must elect a new national civil registrar, because the current registrar, Humberto de la Calle Lombana, is leaving that post to accept a position as Supreme Court justice.

The members of the Electoral Council will not have a fixed schedule, and will be paid monthly according to fees which the government will set annually by decree.

#### Electoral Department

Subsequently, the Council of State will form its Electoral Department, which will be responsible for evaluating all electoral matters, both those that remain in the electoral sphere and those that are appealed to the courts. The department will be made up of eight magistrates from the Council itself, four

Liberals and four Conservatives. They will be chosen by election or drawing lots in equal numbers by the full Council, from among the members of the four sections of the corporation.

The new legal mechanism for dealing with electoral affairs eliminates the possibility of bringing such matters before the full Council of State; the decisions of the new Electoral Department cannot be appealed under any circumstances.

The seven people named to the National Council will serve for a 4-year term which began last 1 September.

8926

CSO: 3348/302

COLOMBIA

# NATION MAY UNDERWRITE FOREIGN DEBT OF PUBLIC ENTITIES

Bogota EL TIEMPO in Spanish 13 Dec 85 p 7-D

[Article by Carlos Pineros]

[Text] The nation will assume the risk of any public agencies that do not pay their foreign debts on time, and will take over the management of those transactions as well as that of the projects to be financed with those funds.

It will also pay off the foreign loans granted to public service enterprises before they fall due, if its foreign reserves situation improves.

In the first case, the goal is to prevent the default by public enterprises from interfering with the disbursement of other foreign loans to the nation; and in the second case, it is a matter of maintaining a moderate level of foreign indebtedness and preventing the costs of that financing plus the devaluation from driving up public service rates to an exaggerated level.

As a result of the devaluation, which totals 50 percent for all of 1985, many public enterprises are in dire economic straits and are having problems obtaining enough revenues from the rates they charge to meet their obligations.

The nationalization of the loans and of the respective projects, and the advance payment of the debts incurred by agencies that provide public services, are contained in the bill that proposes a partial solution to the nation's fiscal crisis in 1986.

The bill, which was reported to the plenary session of the House of Representatives by Conservative Representative Daniel Mazuera Gomez, was passed last night by the full House after a political agreement was reached among Liberals, Conservatives and the government.

Former Liberal Minister Victor Renan Barco Lopez was chosen to present a report for the final debate on the bill. That debate will take place between Friday and Saturday.



## Nationalizations

According to the text of the document, "when it is necessary for territorial or decentralized entities to be current in their payment of foreign obligations, whether guaranteed or not, for the purpose of ensuring that the nation may receive foreign loans, the nation may make the respective payments and immediately carry out the necessary budget transactions to recover the total sum involved, including costs and interests, charging that amount against the sales tax transfers, the budget allocation or any other appropriation whose immediate beneficiary is the entity whose debt was paid."

To develop these elements, "the nation may enter into contracts with territorial or decentralized entities to administer the funds arising out of the credit transactions referred to in this law and to execute the projects for which these funds are intended. Similarly, the nation may sign a contract with the Bank of the Republic for the administration of the funds arising out of the credit transactions referred to in this law."

The regulation that allows for the advance payment of the foreign debt states: "The national government is hereby authorized until 31 December 1987 to increase the amount of National Savings Bonds (TAN) in circulation or to contract and/or guarantee domestic public indebtedness, without entailing any issuance of currency for the sole purpose of paying in advance the national, departmental and municipal public foreign debt, and especially that of public service enterprises, when the international reserves situation so allows."

"The authorizations referred to in this article may not exceed the equivalent in Colombian pesos of US \$500 million of the United States of America."

The nation will assume the advance payment of the debt incurred by the public service enterprises, and at the same time, TANs will be issued. The real debtors will purchase these bonds with pesos, at their value in liquidated dollars, when the transaction is carried out. In this way, they will not run any risk involved in devaluation.

8926

CSO: 3348/302

COLOMBIA

# ECONOMIST ANALYZES BETANCUR'S '3 ECONOMIC EMERGENCIES'

Bogota CROMOS in Spanish 2 Dec 85 pp 30-32

[Interview with economist Guillermo Perry by Rodrigo Pardo; date, time and place not given]

[Text] For the third time in its term, President Betancur's administration has declared an "economic emergency." This administration has resorted to this measure more than any other in the history of Colombia.

The Constitution allows the president to declare the country to be in a state of economic emergency through what is considered an exceptional mechanism, with the approval of the Council of State (?), and to legislate by decree in areas strictly related to the "emergency." In other words, he can "go over Congress' head" to speed up the adoption of measures.

In this third economic emergency, the administration seeks to adopt measures to deal with the catastrophe in Armero. President Betancur has set a term of 35 days (till the end of the year), and before declaring the economic emergency he consulted with the political leaders of most of the principal forces in the traditional parties and independent groups.

The declaration has a major impact on the entire economic policy that the Betancur administration intends to pursue throughout the rest of its term. To explain the scope of this impact, CROMOS interviewed economist Guillermo Perry.

After establishing a long tradition in the field of economics (he has written dozens of essays and books, he is a columnist for EL TIEMPO, he has been a university professor and publisher of COYUNTURA ECONOMICA, and he served as director of the National Tax Office during the Lopez administration), Perry has changed his course recently. Today he is a technician seeking to enter politics, in a process he began through the Institute for Liberal Studies. He is now consolidating that position in the "People's Power" movement headed by Ernesto Samper Pizano.

The first question is de rigueur:

[Question] Is the new economic emergency declaration justified?

[Answer] So far there has not been any precise assessment of the damage caused by the tragedy. Among the losses included by the National Planning Department are some private ones, and others such as the destruction of highways, bridges and public works--infrastructure. The government should only be concerned with the latter. Now there is a real danger that measures will be taken that have nothing directly to do with the problems caused by the tragedy.

"There Was Undoubtedly a Justification"

[Question] Such as . . . ?

[Answer] Such as some that have to do, for example, with the budget deficit. Nevertheless, I don't believe this will happen, because the government submitted a budget bill to Congress at the same time that it declared the emergency. I expect the normal routine to be followed.

[Question] What possibility does the government have for financing its programs with foreign loans?

[Answer] Very little, under the present circumstances. That is not an alternative for the short term. The loans contracted with the banks through the negotiations that were carried out with the International Monetary Fund (IMF) a year ago are only now about to be disbursed.

[Question] Why the delay?

[Answer] Because the government followed a procedure that the institutions involved consider too slow, and because of the mechanisms that necessarily have to be applied.

[Question] So we didn't need the funds so urgently after all? Weren't we on the brink of an exchange crisis?

[Answer] It's not that they were not needed. The problem is, some developments took away the urgency of the credits. The country has regained its exchange stability, due to a number of elements that do not necessarily have to do with the measures agreed to with the IMF.

[Question] Could it have avoided negotiating with the IMF?

[Answer] The situation has really shown that the government exaggerated in its adjustment plan and in the importance its economic policy attributed to a formal agreement. It became apparent that the government had measures at its disposal that could be effective in dealing with the crisis.

[Question] Were the previous "economic emergencies" justified?

[Answer] In the first case, due to the financial crisis, there was a clear need for the declaration. Some serious mistakes were made in the discussions that took place at that time, but there was undoubtedly a justification. The

government should have undertaken a genuine financial reform later, but it never did. For this reason, the financial problem is still the government's key concern, as the finance minister has stated.

[Question] What about the second one?

[Answer] That seems much less clear to me. It was argued that the budget deficit had to be reduced and the monetary impact of the Special Exchange Account had to be controlled. But the position of academic entities such as the Federation for Development (FEDESARROLLO) demonstrated that in the face of a very large external deficit, the budget deficit partially helped to control the depressive effect that had on aggregate demand. It also showed that the external deficit therefore had to be attacked first through exchange measures and import controls, which the government delayed too long in executing. Thus, the urgency of that economic emergency was very debatable.

[Question] What was the real reason for that emergency?

[Answer] In my opinion, the government had the impression that since it was going to have to impose new taxes, that would be very difficult to do through Congress. The facts proved it wrong. The following year, after the emergency measures had expired, the president went to Congress and it approved them.

It seems to me that we might compare this with the economic emergency declared by the Lopez administration, which was also done for tax purposes. During that time it was much clearer that the crisis required a quick solution. There was excess demand at the time, which had inflationary effects, so the budget deficit had to be reduced. In the second emergency of this administration, the situation was the reverse: a budget deficit in an economy in recession.

In addition, the tax measures taken during the second emergency of this administration were secondary. The important ones, the extension of the value-added tax (IVA) to the retail level and the unification of IVA rates, were taken by Congress. And that was true Tax Reform.

[Question] Could one conclude from that that the administration could have counted on support from Congress this time?

[Answer] I think that the actions taken by Congress in 1983 and 1984 in this specific area show clearly that this body has been willing to allow the government to carry out the principal projects. I see no reason to doubt Congress, in view of the gravity of the Armero tragedy. It seems to me that the president feels weak with respect to the two Houses, and that he will probably now resort to the emergency or to Congress itself to use the tragedy to justify some additional tax measures that are actually related to broader problems, in other words, the budget.

[Question] Do you think that the fiscal problems are the most serious at this time?

[Answer] They are serious, but the most difficult problem the government faces now is how to handle its oil policy. Discoveries were made in this country that no one had foreseen, at least not in that magnitude. The policy should focus on how these assets can be used to greatest advantage in terms of economic development.

[Question] What should that policy's objectives be?

[Answer] First, the government should really get its fair share of the revenues. Second, it should channel them to where they are needed. It would be very dangerous to reinvest them indefinitely in the coal sector and the petroleum sector. They must be channeled elsewhere. The idea of macroeconomic policy must be reformulated.

[Question] In what way?

[Answer] There is a series of very important tasks, and the government has been proceeding in a very improvised and dangerous manner. I can cite three examples. First: In Law 9 of 1983, it threw in a "monkey wrench," completely exempting oil and mining companies from the tax on remittances. A short time ago several tax experts met in Bogota, and they couldn't get over their surprise that the country had made such a move. At a time when coal and petroleum exports were beginning, foreign companies were exempted from taxes! Moreover, all Colombians were subject to taxes. This was truly an aberration, and a tremendous threat to the country's interests. From the standpoint of tax revenues, this may entail losses of more than 20 billion pesos a year for some time to come. And from the exchange standpoint, it could mean a loss of more than US \$100 million over a number of years.

#### Monkey Wrench

[Question] What was the reason for that decision?

[Answer] This case sounds like something out of a detective story. In the 1982 economic emergency, a regulation was issued giving the Tax Office control of the tax on remittances, which was to be paid annually along with the income tax. The goal was to curb tax evasion. But then, in Law 9 of 1983, the monkey wrench I referred to earlier appeared. This monkey wrench had not been in the bill submitted by the government, or in the one presented by the reporting congressman. No one knows who put it in. But later, by the end of 1984, the financing bill introduced by the government included this matter again, this time eliminating the exemption. It was accepted by the political parties within the package that was agreed upon. In the end, the government itself withdrew that article to postpone consideration of it. It is known that the manager of the Colombian Petroleum Enterprise (ECOPETROL) and the Ministry of Mines interceded for this. It is unheard of for these entities to consider that they have an obligation to lobby Congress in favor of the interests of foreign companies, which the Ministry is supposed to regulate and of which ECOPETROL is a partner. It is one thing to be a friendly partner, and quite another to lobby in Congress to protect foreign interests.

[Question] Let's go on with the two points you indicated were errors made by the government.

[Answer] A production and export policy has not yet been formulated, and a pipeline with a capacity of 250,000 barrels is being built. ECOPETROL is putting up half the investment. It is highly likely that most of the exports sent through this pipeline will be those of the foreign partner. And in any case, it would not be reasonable to permit Cano Limon to be exploited to its full potential, letting the price of gasoline, and therefore ECOPETROL's finances, deteriorate. That is linked to a previous decision, the virtual elimination of the subsidy on urban transport. Now, any hike in the price of gasoline implies a conflict with transportation companies or a social conflict with the users. The result is obvious: We have ECOPETROL in a bad situation, precisely when an oil boom has begun; a number of important investments must be made. I believe that the policy couldn't have been worse.

[Question] In conclusion, is it true that you have thrown your hat into the ring of politics?

[Answer] Yes. Many people with a reputation for being technicians have felt the need to participate actively in politics. Within the Liberal Party, a large group of us made the decision 3 1/2 years ago, when we began working through the Institute for Liberal Studies to promote a discussion of the platform. Later, several of us decided to accompany Ernesto Samper in his entry into politics, because he represented a new way of thinking, a major renovation, and a shift by the party toward the popular organizations. In general, it was an attempt to mobilize urban popular sectors that had really not participated significantly in politics or in decision-making in the country.

8926

CSO: 3348/302

CUBA

ECONOMY, MTT, DEFENSE ZONES ON PCC CONGRESS AGENDA

Havana BOHEMIA in Spanish No. 45, 8 Nov 85 pp 48-49

[Interview with Jose R. Machado Ventura, member of the Central Preparatory Commission and the Politburo of the PCC Central Committee, by Hugo Rius; date, time and place not given]

[Text] It has been said, entirely correctly, that the Congresses of the Communist Party of Cuba (PCC) are the most important meetings in our country. On no other occasion is there presented such a detailed report of how much, how and why we have progressed, what is lacking, what is needed, and what the goals are in the society that is being built scientifically under the direction of Fidel's Marxist-Leninist party.

For this reason, our people, the working masses, have experienced renewed confidence and expectations in anticipation of the 3rd Congress, which will take place from 4 to 7 February 1986. Virtually everything is ready and in order for that gathering, from the basic documents that will be subject to consultation and analysis, both before and after the Congress, the assemblies of the militants at the various levels and the election of the delegates, down to the last detail of practical organization at the Palace of Conventions.

As this major gathering draws near, and as a concerted effort is made to honor this occasion through production, services, studies and defense, BOHEMIA presents this interview with Comrade Jose R. Machado Ventura, a member of the Central Preparatory Commission and the Politburo of the Party Central Committee. The purpose of the interview was to obtain some assessments, orientations and explanations of interest to the public.

In the first place, we asked for an evaluation of the processes of reporting on work, renovation and confirmation of terms in office that took place prior to the 3rd Congress.

"As a matter of fact, the Congress is the culmination of the entire stage of preparatory assemblies, beginning at the grassroots level, the nuclei, and going all the way up through the municipalities and provinces. Basically the assessment has been positive, although in no way can we assert that we feel totally complacent. We cannot think that everything is resolved with respect to the functioning of the Party and the assemblies' development, but there is



no doubt that a great improvement has been made in the quality of this process, for a variety of reasons.

"Today the members of the Party exhibit a greater cultural awareness and stronger political and ideological development; the cadres are more experienced; and certain formalities which used to bear a lot of weight have been eliminated from the assemblies in order to encourage the use of the allotted time for the specific analysis of the principal problems society faces. Thus, the most heavily debated issues were the economic problems, including profitability, savings, and economic efficiency. Problems related to defense were also widely discussed, especially matters concerning the Territorial Troop Militias (MTT) and the defense zones.

"As for the topics to be debated in each territory in particular, whether in a nucleus, municipality or province, it is noteworthy that preference was given, both in the agenda and the discussion itself, to the matters that were most intrinsic to each socioeconomic sphere. I am referring to the specific problems that Party members could deal with and resolve in the places where they operate. For example, it would have been inconceivable not to give priority to the development of citrus fruits and the Secondary Schools in the Field in Jaguey Grande, or to the problems of growing coffee in Maisi.

"If this process yields better results than previous efforts, much of the credit goes to the speech given in late 1984 by the first secretary of the Central Committee, Comrade Fidel, concerning the country's economic problems, as well as the guidelines that were later issued in this regard, and the changes introduced in the preparation and development of the assembly process I mentioned."

Another function of the assemblies is to confirm and renew terms of office. Going into detail about the changes that have probably been made in the make-up of the leadership organizations, Machado Ventura provided some significant facts.

"The representation of women in the leadership of the grassroots organizations reached 26.2 percent, which is higher than the proportion of women in the ranks of the Party (21.6 percent). On the municipal committees, meanwhile, a 21.3 percent representation was achieved, 2.1 percent higher than the level attained in 1983. In the provincial committees, a 22.5 percent total was recorded, much higher than the 17.1 percent obtained in the previous process. As for the executive boards of the municipal and provincial committees, although the percentage of women is low, an increase was obtained this time. The provincial figure is 15.5 percent, and the municipal level 10.5 percent.

"Despite these increases in the representation of women in Party organizations, they are still under-represented in the principal leadership posts.

"Another equally important element has been the inclusion of the first secretaries of the Union of Young Communists (UJC) in the executive boards of 131 municipal committees, and in all the executive boards of the provincial committees. As for the level of education, it is noteworthy that 62.2 percent



of the members of the municipal committees and 79.8 percent of the members of the provincial committees have completed mid-level or higher education."

"Can you tell us something about the Party Program for the future?" we asked next.

"Certainly, and as expected, it will be the most important document of the Congress and therefore the most important for the future of our society. Precisely because it is so vital, it was decided to postpone the meeting until February, as was revealed in a timely manner, so that more time could be devoted to the formulation and maturation of such a fundamental document that is to clarify the Party line and the direction in which society will develop.

"That was why the Central Preparatory Commission drew up a proposal to modify the terms of the convocation to the 3rd Congress, which was approved by the Central Committee. Accordingly, the Congress will approve the Program as a draft, and then the process of discussion will begin in all places of employment, among the workers, the peasants, the soldiers, and the members of the UJC, throughout 1986.

"In this way the discussion and study of the draft Program will be of a higher quality, since it will be done chapter by chapter. Any recommendations that result from the grassroots discussion can be incorporated, until the final discussion of the Program at a special session of the 3rd Congress in late 1986. The same delegates, chosen for that task by the Congress itself, will participate in that session.

"In addition, we also took into consideration the need for the workers of the country to focus their attention on the discussion of the Economic and Social Guidelines for the 1986-1990 5-year period. This debate will take place between 10 and 30 November, and then all the opinions gathered from the rank and file will be submitted to the full Central Committee so that it can study the final draft before the Congress.

"In this regard, I should point out that these Guidelines, which are for immediate discussion but have profound implications because they chart a course for the future and outline the responsibilities of each person, have been written in an understandable form, without excessive details. Thus, they can be read and understood easily by everyone, and therefore discussed effectively."

Machado Ventura also listed among the most important documents the 3rd Congress will discuss a series of amendments to the Party Bylaws, and resolutions concerning the Economic Management and Planning System (SDPE) and the Political-Administrative Division of the country. Regarding the first matter, he stated:

"The amendments to the Party Bylaws have been the subject of a wide-ranging consultation of all Party leadership organizations and many representatives of the grassroots organizations, who enriched the process with their opinions and suggestions.

"In essence, the prevailing criterion is that the Bylaws must be made a general instrument that sets forth principles and leaves other practical-operational aspects to specific regulations, especially with regard to the grassroots organizations. These groups, the product of the growth of Party membership, need to be allowed to act with more flexibility and speed.

"As for the SDPE, it is a matter of evaluating the experiences gained in its application, culling the positive results and also making the changes and incorporations that daily practical life requires for the improvement of the System."

The member of the Central Preparatory Commission of the 3rd Congress took the time to emphasize the basic content of the Resolution on the Political-Administrative Division (DPA), given the questions that will probably arise at the mere mention of its title.

"The usefulness and tangible benefits of the new Political-Administrative Division have been demonstrated in 14 provinces and the Special Municipality of the Isle of Youth. Nevertheless, the DPA has room for improvement, primarily in terms of certain small adjustments in borders, both between provinces and between some municipalities. With regard to the latter, some borders that were approved as they were without meeting all the requirements are being studied; although they have developed, they need to be analyzed again. We clarify, however, that just a small number of cases are involved.

"We should also look at and study a few proposals for modifications in the Political-Administrative Division of the major cities, and naturally it is possible that all this will lead to certain changes in the Electoral Law and the Regulations of the Local Organs of the People's Government.

"In any case, the Draft Resolution on which we are currently working recommends that we continue to study these problems in the same spirit as before, when the 2nd Congress approved the Improvement of the Organs of the People's Government."

The long-awaited meeting is just 3 months away. The statements made to BOHEMIA by the member of the Politburo of the Central Committee of the Cuban Communist Party confirm the tremendous significance of the 3rd Congress. It will be a point of departure that will promote the broader and more democratic participation of the country's nearly 3 million workers in the discussion and study of the Draft Program, a document that should determine the future direction of the society we are conscientiously building.

8926

CSO: 3248/117

CUBA

## RETIREMENT DISCOURAGED FOR FEAR OF SOCIAL SECURITY OVERLOAD

Havana GRANMA in Spanish 26 Oct 85 p 2

[Article by Jose M. Norniella]

[Text] At present there are 234,000 workers at retirement age who are still actively working, and forcing them to retire would be a mistake because we would lose their valuable experience, stated Joaquin Benavides, minister-chairman of the State Committee on Labor and Social Security. He made this statement in an interview with GRANMA and Tele-Rebelde in this capital.

Benavides, who is also an alternate member of the Central Committee, was responding to a question from this reporter regarding the rumors of a possible mass retirement of workers at the appropriate age.

These workers, he said, were about 40 years old at the time of the triumph of the Revolution, and they took on their shoulders the task of building socialism and developing the country's economy. For that moral reason, we cannot remove them from the labor force, nor are we contemplating doing so.

The statistics confirm that Cubans live approximately 15 years after retiring. The life expectancy at birth is now above 74 years, and before the Revolution it was not even 60. Therefore, stated Benavides, retirement is an economic fact that means opening up a bank account for each person and depositing about 18,000 pesos, which would accrue interest over 15 years. The economy cannot support such expenditures.

The minister explained that between 1980 and 1985 (6 years), 428,000 workers have retired. This represents an outlay for Social Security of more than 5 billion pesos in 15 years, because the retirees average 103 pesos a month. There is an upward trend in these pensions, as the median wage rises. In the 6 years prior to this period, nearly 300,000 workers had retired.

The Social Security Budget for 1986 will total nearly 1 billion pesos.

The retirement of 234,000 workers would mean that Social Security spending would rise by 3.6 billion pesos for the next 15 years. But since these resources are not included in the plans, the country's economic development would be seriously distorted.

Therefore, asserted Benavides, there is no intention of establishing a mandatory retirement policy. Retirement means discarding the Cuban worker, and accepting its benefits is a strictly personal and voluntary decision.

Responding to another question, Benavides reported that more than 1 million workers have completed their time of service, according to oral evidence, under Law 24 which regulated matters of Social Security and assistance. Thus, he said, they are eligible to receive pensions in accordance with the number of years they have worked.

Law 24, which opened up this possibility to Cuban workers, is an innovation in labor legislation in the Americas, noted the minister. Only a few European countries introduced similar legislation in the post-war years.

The deadline for submitting the oral evidence was last 31 December, after 5 years of intensive work throughout the country to correct an unjust social situation inherited from the capitalist past. The State Committee on Labor and Social Security continues to sign these resolutions to facilitate the completion of the labor files.

8926

CSO: 3248/110

CUBA

# NEW CIVIL LAW TO TAKE EFFECT IN JANUARY 1986

Havana GRANMA in Spanish 30 Oct 85 p 3

[Text] Havana--A new Civil Status Registration Law will take effect on 1 January 1986, replacing the one that has existed in our country for more than 100 years.

Birth, marriage, death and any event or act that affects people's civil status will be legally regulated by this law. It will also provide the necessary information to the state so that it can compile demographic and health statistics, and other data of social interest.

Among the principal modifications introduced by this law is the fact that no person can be registered with more than two names. It is also specified that these names must be in keeping with the nation's educational and cultural development and its traditions; they must be easily read and pronounced in our language, and must be personal names.

No name designating an object or an animal, which would embarrass the minor as he grows older or cause him problems with the people around him, will be allowed.

On the other hand, parents are given maximum freedom to pick a name freely, without any limitations other than those indicated above. Parents will not be obligated to choose from an arbitrary list of saints' names, as was true in the past.

The registration of the birth of a child born to parents who are not joined in formal or legally recognized matrimony may be carried out by either or both of the parents.

When only the mother fills out the application and she declares the name of the father, he will be subpoenaed to appear before the registrar. If after 90 business days he has not appeared to acknowledge paternity, the child will be registered as his.

Any person who wants to change, add to, modify or eliminate a name or surname may do so once by filing an exception, or may do so twice if he is of legal age, and the first change was made when he was not yet 18 years of age.

With the implementation of this law, which bears number 51, the requirements for foreigners wishing to marry Cubans will change.

For this purpose, they must present the official document authorizing their stay in national territory, the certification that sets forth the parameters in their country for contracting marriage, and the license issued by the Justice Ministry to permit this conjugal union between persons of different nations.

As of 1 January 1986, any person who wants to bury or inhumate a body without waiting the 24 hours required by current law may do so if an autopsy or necropsy has been performed on the deceased.

8926

CSO: 3248/110

CUBA

ACCUSATION OF TERRORISM-DRUG TRAFFICKING TIE RIDICULED

Havana GRANMA in Spanish 29 Oct 85 p 2

[Commentary by Gustavo Robreno]

[Text] Since its first term, one of the Reagan administration's principal weapons in its psychological war has been a virulent campaign of accusations of "terrorism" or "collaboration with terrorism." Not even its friends and allies have escaped this vitriol, as witnessed recently in the case of the Italian and Egyptian Governments.

As for drug trafficking, it has also spewed forth accusations against Latin American countries such as Colombia, Mexico, Bolivia and Peru, accusing them of "not making enough of an effort" to prevent drug trafficking toward the United States.

More recently, as the "piece de resistance" of the administration's diversionary tactics, the president himself has appeared before the TV cameras (oh, the "great communicator"!) to attempt the most ridiculous and falacious of fabrications: trying to link terrorism and drug trafficking and implicating Nicaragua and Cuba therein. This marks the beginning of a long chain of "culprits," including in one way or another Syria, Libya, the Palestinian resistance, Democratic Korea, Iran, and ending up with European socialist countries such as the USSR and Bulgaria.

Fortunately, however, as the old saying goes, there's nothing more mundane than one day following another. The truth is stubborn, and eventually it comes out. Anyone trying to distort or deform it ends up being smashed by his own falsehoods, his lack of morality and principles, no matter how much the myriad sophisticated communication media at his disposal try to spread these great lies all over the world.

And that is exactly what has happened to the old American president and his spokesmen. It is clear to all the world that the United States is the principal hideout of mercenaries devoted to criminal terrorist actions against all those who do not serve the interests and the hegemonic ambitions of that imperial power.

Training is provided there, for example, to elements such as the Sikh sect who blew up the Air India Boeing 747, with hundreds of innocent passengers on board. These people were trained at a school for mercenaries in the state of Alabama, as the chief of that camp himself admitted.

The U.S. Government brags about how it has organized and financed the terrorist bands that operate in Nicaragua, Angola and Afghanistan. Hundreds of millions of dollars come out of the pockets of that country's taxpayers to pay for them.

The U.S. Government supports and encourages regimes such as those of Israel, South Africa and Chile, which openly engage in state terrorism. They go as far as to carry out terrorist actions right in the middle of Washington (as in the Letelier case) or against U.S. property abroad (the case of Gulf Oil in Cabinda).

All that does not go far enough to describe the actions of the U.S. Government, however. The interception of the Egyptian passenger plane over Mediterranean waters and the hijacking of that plane to an air base in Sicily revealed that it is also capable of engaging in state terrorism directly, without intermediaries. The worn fig leaf behind which the Reagan administration had been trying to hide finally fell down.

As for the close ties with the drug mafia, that too has been clearly demonstrated; this information even goes back dozens of years. We must not forget that it was a well-known mafioso, Lucky Luciano, who traveled to Italy for the OSS (the predecessor of the present-day CIA) on a mission to promote and facilitate the American invasion during World War II.

More recently, the Church Committee of the U.S. Senate denounced the CIA's use of other mafia leaders, former czars of gambling and vice in the Cuba of the past such as Meyer Lansky and Santos Trafficante, in planned attacks against Commander in Chief Fidel Castro.

Still more recently, there is the mutually beneficial marriage between the CIA and the heroin traffickers based in Pakistan, the origin of 80 to 90 percent of the heroin that is introduced illegally into the United States and Great Britain. The book "The Whole Truth" by Danish journalist Henrick Kruger is very revealing in this regard. It reports that in this manner, the CIA obtains large quantities of "dirty money" for secret operations against Afghanistan.

Kruger tells how during the 1960s and 1970s, under the cover of the firm "Golden Triangle," the CIA got involved in the trafficking of opium from Burma-Thailand-Laos. The drug reached the American continent in planes belonging to Air America, an airline that is universally recognized as a front for Yankee espionage. Nor is it any secret that the authorities pretend not to know that elements of Cuban origin and others from Nicaragua, more directly connected with the counter-revolution, alternate these criminal activities with drug trafficking, gambling, and white slavery, operating out of Miami and other U.S. cities.



The Colombian magazine CROMOS reported in all seriousness that the drug vice "is promoted by someone who is practically an exclusive buyer: the U.S. consumer."

The audacity of this sudden morality campaign by U.S. authorities is truly laughable, although its cynicism is cause for indignation.

If the dual link of terrorism and drug trafficking applies perfectly to anyone, it is to the United States Government and its armed wing for subversion, destabilization and espionage: the CIA. This is true no matter how unpleasant it is for them to hear it, and no matter how many shameful efforts they make to hide it. The tired old method of the thief who cries "Thief!" to cover up his own wrongdoing is an obvious failure in cases like this, when the historical truth and the present truth combine to expose them.

8926

CSO: 3248/112

CUBA

#### BRIEFS

**NEW TORONTO-MANZANILLO FLIGHTS**--Manzanillo--Direct weekly flights from Toronto, Canada will begin to arrive at the Sierra Maestra Airport in this city next December, making this airport the seventh international facility in the country. During the first 4 months of 1986, more than 2,000 tourists are expected to arrive at this air terminal, one of two in Granma. Its collective has been named to the National Vanguard and is a promotor of emulation for the 3rd Party Congress within the Union of Transportation Workers. In addition to providing a new source of income for the country's economy, this new development will enable the National Institute of Tourism to expand the facilities it offers in the province. [Text] [Havana GRANMA in Spanish 18 Oct 85 p 3] 8926

**NEW ALBANIAN AMBASSADOR**--Carlos Rafael Rodriguez, vice-chairman of the Council of State, yesterday held a ceremonious meeting with His Excellency Gezim Hasan Arapi, who presented his credentials as ambassador extraordinary and plenipotentiary from the People's Socialist Republic of Albania to our country. Foreign Minister Isidoro Malmierca also participated in the solemn ceremony. Roberto Melendez, director of the Foreign Ministry Office of Protocol, and Luis Martinez, chief of the Foreign Ministry Department of Ceremonies, also were present. [Excerpts] [Havana GRANMA in Spanish 19 Oct 85 p 1] 8926

**ENTERPRISE SANCTIONED FOR COST OVERRUNS**--Camaguey--Because its financial situation has deteriorated, sanctions were imposed on the Provincial Enterprise of Local Industries here by restricting the credit it can receive from the National Bank of Cuba (BNC) in the territory. Among the reasons for the measure were inadequate control over the use of the salary fund, excessive payment for surpassing quotas, and a 24.7 percent cost overrun for production. The Camagueyan entity fell nearly 3 million pesos short of its earnings projection, and paid 405,000 pesos more in wages than the plan called for. The excessive spending went for items such as raw materials, auxiliary materials, fuels, power, wages, payments on basic equipment, and other monetary expenditures. Another irregularity discovered in this enterprise was the accumulation of products without being able to move them, due to the failure to adjust production to existing demand. These products included primarily school and home furniture, 115,000 wide-brimmed hats, 20,900 wicker baskets, 78,500 sheaths for files, 10,900 bathing suits, and other items such as booklets, pamela hats, sandals, notebooks and iron windows. According to

23 January 1986

an analysis by the BNC in the territory, the Camaguey Local Industries Enterprise must monitor its financial activities comprehensively and rigorously to eliminate its current difficulties, which are threatening its management autonomy. [Text] [Havana GRANMA in Spanish 28 Oct 85 p 3] 8926

CASTRO BOOK SOLD IN BELGRADE--Belgrade, 28 October--The book by Cuban President Fidel Castro, "The Economic and Social Crisis in the World," was sold out at the 30th International Book Fair in Belgrade. In less than 72 hours, Yugoslav readers bought up all the copies of the Cuban president's work, which was published in both Spanish and English. The public has continued to flock to the Cuban display, which is located near the main entrance of the colliseum where the fair is being held. The colliseum, covering an area of more than 30,000 square meters, is located on the banks of the Sava River. A large number of young people, university students and professors from Yugoslavia and third world countries have shown an interest in the editions and themes on display at this event. The books of Jose Marti, Alejo Carpentier, and Nicolas Guillen, and some books about the Cuban National Ballet, have been much sought after by the many specialists and students of Cuban literature. [Text] [Havana GRANMA in Spanish 30 Oct 85 p 6] 8926

CSO: 3248/112

ECUADOR

## CONGRESS APPROVES 1986 FISCAL BUDGET

Guayaquil EL UNIVERSO in Spanish 28 Nov 85 p 4

[Text] Quito--The totally financed General State Budget will take effect on 1 January 1986, reported Finance Minister Francisco Swett Morales. He pointed out that the economic document came to a final total of 212.738 billion sucres, 11,738 billion sucres more than the initial figure contained in the draft budget that was sent to the National Congress.

The approved draft budget will be submitted today to the minister of finance by the chairman of the congressional Tax, Fiscal, Banking and Budget Matters Committee, Cesar Acosta Vasquez, after it has been passed by that parliamentary body.

Minister Swett stated that the draft budget was analyzed from a technical point of view and was adjusted in accordance with macroeconomic and microeconomic needs, until all the entities responsible for approving the budget were satisfied and could reach a consensus.

He noted that the 1986 Budget is totally financed, with resources derived from traditional revenues and from hydrocarbons exports, including the issuance of government bonds for a total of 10 billion sucres.

He stated that among traditional revenues, collections from the income tax, commercial transactions and services exceeded the initial predictions, which in his opinion will have a major impact on the figures projected for 1986.

### Order

Based on that judgment, he indicated that given the consensus on the economic terms of the draft budget, President Leon Febres-Cordero will issue the order mandating the publication of the economic document in the Official Gazette. Consequently, as of 1 January 1986 it will be the basic economic document of the nation.

It should be noted that the 1986 Budget will allocate 7.3 billion sucres to finance the so-called Ceiling Plan of the national government, and another 6 billion sucres for provincial projects to be overseen by the deputies of the National Congress.

Furthermore, it should be mentioned that the General State Budget for the 1986 fiscal year will partly finance the raise of the vital minimum wage to 10,000 sucres, which will take effect on 1 January 1986.

It was officially announced that some ministries and public sector agencies accounted for the raise in their budgets, while others did not. This problem must be solved by the administration through restrictions on public spending and savings of resources allocated to infrastructure projects that were not carried out.

8926

CSO: 3348/249

ECUADOR

## SIGNS OF ECONOMIC IMPROVEMENT REPORTED

Quito EL COMERCIO in Spanish 21 Nov 85 p A-8

[Text] In the first 15 months of the current administration, satisfactory results have been obtained in all areas of the economy, stated Jaime Zeas, adviser to the general manager of the Central Bank, during his speech at the investors' forum that is taking place in Quito.

He estimated that the gross domestic product (GDP) will grow by at least 3 percent this year. Referring to unemployment, he noted that it had dropped to 10.4 percent, compared to 13 percent in 1983; inflation has settled at an annualized rate of less than 13 percent over the last 5 months. An overall balance will be maintained in the public sector accounts, and despite the fall in the prices of petroleum, the balance of payments will not suffer a deficit. In addition, all of the \$375 million in arrears on imports has been paid.

As of 15 November, net international monetary reserves totaled \$170 million, which is close to the figure recorded at the end of last year.

Zeas reported that both domestic and international confidence has been restored in Ecuador, as attested by the investors who have expressed an interest in putting their capital in national projects.

Referring to the possibilities for financing industrial projects, he stated that the Central Bank is the appropriate system to stimulate such investment.

The lines of credit to finance industrial projects range from 180 days for export loans to 10 years for loans with financial funds for investment and operating capital.

He explained that the country has contracted some loans with international organizations such as the World Bank, the Inter-American Development Bank (IADB), the Agency for International Development (AID) and the Andean Development Corporation, for the purpose of channeling the funds toward private sector enterprises through specialized institutions such as the National Finance Corporation.

Among these loans, he mentioned the one extended by the World Bank for \$60 million, with a 15-year term, and that of the IADB for \$35 million over 10 years. Both of those loans are for industrial projects. He also mentioned an AID loan of \$4 million to promote non-traditional agricultural exports, with a 10-year term.

ECUADOR

# DEVELOPMENT PLAN CALLS FOR \$3.3 BILLION IN FOREIGN CREDIT

Quito EL COMERCIO in Spanish 21 Nov 85 p A-8

[Text] The Development Plan indicates that during its 4-year term, foreign credit totaling \$3.374 billion will be utilized. This works out to an annual average of \$843 million.

The credit will be used primarily to finance programs in the strategic areas of the plan and to invigorate the financial system. This system must be coordinated effectively with the credit policy required in the document.

Of the foreign credit, 65.2 percent will contribute to the financing of projects in the strategic areas, which absorb \$2.199 billion. The funding is distributed as follows: \$1.294 billion for the production sectors, \$381 million for spatial integration programs and the organization of national territory, \$366 million for human resources development, and \$158 million for administrative improvement programs and other needs of the central government.

Another 18.9 percent of the foreign credit will be used to support the financial system, in which the highest percentages correspond to the credit programs that will serve the industrial, agricultural and housing sectors.

A smaller portion, about 9.4 percent (\$316 million), will be earmarked for general financing of the balance of payments, pursuant to any international agreements that may be signed for that purpose.

Within this scheduling of the use of foreign credit, the private sector is expected to receive \$520 million directly, adhering to the record-keeping requirements and other regulations established for that purpose. It will run its own risk with this funding.

Of the total outlay of foreign exchange during the 4-year plan, 32.8 percent will go to service the debt.

During those years, a total of \$5.505 million will be used for that debt service. There will be annual increments in these amounts due to the rise in principal and interest payments as the debt itself grows. These payments are not too burdensome thanks to the renegotiation of the debt, which provided significant relief and facilitated the resumption of gradually increasing

foreign credit, especially in the credit disbursements already obtained. This year, however, part of the outlays were delayed because of the prolonged process of rescheduling the debt.

Principal payments account for 34.2 percent of the projected debt service for this period, and interest payments represent 65.8 percent. The effective servicing of the debt will be equivalent to an average of 42.4 percent of the value of goods and services exports during the years of the plan. In past years, this ratio was sometimes above 70 percent.

8926

CSO: 3348/249



ECUADOR

#### BRIEFS

FOREIGN RESERVES INCREASE--The 4-year Development Plan is expected to yield a surplus of \$192 million in foreign exchange, according to the official document of that plan. This amount will be added to the country's international monetary reserves. According to the Development Plan, the total outlay of foreign exchange between 1985 and 1988 will be \$16.747 billion, with an annual average of \$4.188 billion. Of the total amount, 63.4 percent will be earmarked for spending on imports of non-financial goods and services, 32.8 percent will be used for the servicing of the foreign debt, and 3.8 percent will represent remittances of profits and other net transactions. The foreign currency revenues that will finance these outlays will total \$16.939 billion, which works out to an annual average of \$4.234 billion. These funds will come from the following sources: 76.3 percent from exports of goods and services; 19.9 percent from external credit; 3.2 percent from direct foreign investment; and 0.6 percent from net transfers. The document indicates that the estimated \$192 million surplus in revenues can be used to increase the amount of foreign reserves. Those reserves totaled \$171 million as of December 1984, and are expected to climb to \$363 million by December 1988. One of the problems the foreign financing policy will have to confront is the replenishment of international reserves, which will be a constant concern in short-term policy. The document points out that international reserves have fallen to such a low level that it is not possible to foresee any increase above the indicated amount. Each year, therefore, the monetary and exchange policies will have to make a concerted effort to prevent any erosion of these reserves, and to do everything possible to achieve greater increases than those projected, especially in 1988. [Text] [Quito EL COMERCIO in Spanish 20 Nov 85 p A-7] 8926

CSO: 3348/249

EL SALVADOR

# COURT REINSTATES GUERRERO AS ATTORNEY GENERAL

PA120416 Panama City ACAN in Spanish 2131 GMT 11 Dec 85

[By Pablo Antonio Ayala]

[Text] San Salvador, 11 Dec (ACAN-EFE)--After 4 months of discussions, the Supreme Court of Justice, formed by members of opposition parties, left ineffective a legislative decree that dismissed then Attorney General Jose Francisco Guerrero in May.

According to the court's decision, Guerrero is to be reinstated as attorney general on Thursday.

Guerrero was removed by the Legislative Assembly on 21 May on the grounds that he did not guarantee the speeding up of the investigations of several political crimes that remain unsolved in the country.

In addition, his removal was part of the reorganization of the Salvadoran judicial branch that aimed at guaranteeing the country's democratization process.

During the 21 May plenary session, the assembly also appointed Santiago Mendoza Aguilar as the new attorney general to replace Guerrero.

The designation was approved by the 33 Christian Democratic Party deputies who with 27 others from various political parties, form the assembly.

The opposition parties rejected Guerrero's removal and severely criticized the ruling party's decision.

Shortly afterwards, Guerrero filed an appeal before the Supreme Court of Justice asking that the Legislative Assembly's decision be declared unconstitutional.

The Supreme Court of Justice's decision, which was announced today, consists of 23 pages and has already been sent to the Legislative Assembly's Board of Directors.

The Supreme Court of Justice's constitutional decision acknowledges the legal validity of the actions taken by Mendoza Aguilar as attorney general since he assumed office until now.

Most of the Supreme Court of Justice's magistrates and Guerrero belong to the ultraconservative Nationalist Republican Alliance (ARENA).

/8918

CSO: 3248

JAMAICA

BRIEFS

POLICE OFFICIALS KILLED--Authorities in Jamaica have searched for a band of uniformed men dressed as police officers who shot and killed Kingston's assistant police superintendent and an acting corporal in separate incidents Sunday night. Police believe the two murders are related. They say at least 12 men dressed in uniform used by Jamaica's Mobile Reserve and presumably armed with M-16 rifles shot Assistant Superintendent Arthur Allen. Three hours later, Acting Corporal Morris Gordon was shot and killed by a lone gunman in his home. [Text] [Bonaire Trans World Radio in English 1130 GMT 19 Nov 85 FL] /9365

CSO: 3298/226

MEXICO

CITIZENS POLLED ON PERSONAL, NATIONAL WELL-BEING IN 1986

Mexico City EXCELSIOR in Spanish 13, 15 Dec 85

[From "Minisurvey 1986," by Adip Sabag. Survey carried out by the Mexican Public Opinion Institute in the Federal District between 4 and 8 December 1985. Five hundred persons over 18 years of age were selected by quota method (e.g., sex, age) in accordance with data from the latest population census; for a related survey, see JPRS LATIN AMERICA REPORT of 29 Aug 85 (JPRS-LAM-85-074), p 70.]

[13 Dec 85 p 4-A]

[Text] If you consider your situation and that of your family, in general, next you will be:

	Percentage
Better than 1985	35
Worse than 1985	38
The same as 1985	27
	<u>100</u>

[15 Dec 85 p 4-A]

[Text] If you consider the country's situation, things, in general:

Are going to improve in 1986	9
Are going to get worse in 1986	71
Are going to continue the same	20
	<u>100</u>

/6662

CSO: 3248/125

NETHERLAND ANTILLES

ARUBA, CURACAO ISLANDERS POLLED ON TIES WITH NETHERLANDS

The Hague ANP NEWS BULLETIN in English 10 Dec 85 p 4

[Text]

W i l l e m s t a d, December 9 - A near majority of voters on the Antillean islands of Aruba and Curacao favour closer ties with the Netherlands while only a small minority want independence, an opinion poll conducted by the University of the Netherlands Antilles shows.

The poll, conducted during the November elections on the islands, found that most voters felt that ties with neighbouring Venezuela need not be intensified.

On Curacao 47 per cent of those polled favoured closer ties with the Netherlands, while 50 per cent of those on Aruba, which is to gain separate status on January 1 as a step to full independence, favoured strengthening their relationship with the Dutch.

Voters who favoured independence represent 12 per cent and 11 per cent respectively of those polled on Curacao and Aruba, while those favouring the status quo were respectively 36 and 37 per cent.

Dutch Passport

Voters on both islands gave identical figures concerning the islands' relationship with Venezuela, with 42 per cent opting for a continuation of existing relations, while 17 per cent wanted to loosen ties and some 30 per cent pleaded for closer ties.

In answer to the question 'if you were allowed to choose between a Dutch passport or an Antillean/Aruban passport in the future which would you choose,' 67 per cent of Aruban voters and 57 per cent of those on Curacao expressed preference for a Dutch passport.

Antillean voters further evinced little confidence in their political leaders, with 80 per cent of those polled on Aruba and 82 per cent on Curacao expressing the wish for 'more competent politicians'.

Results of the poll will be released shortly by the university in the form of an official report, it said.

/9274

CSO: 3200/8

NICARAGUA

UNO'S CALERO INTERVIEWED BY NICARAGUA HOY

PA241800 Panama City LA PRENSA (NICARAGUA HOY Supplement dated 14 Dec 85) in Spanish 21 Dec 85 pp 1, 3

["Exclusive" interview with Dr Adolfo Calero Portocarrero, one of the directors of the Nicaraguan Opposition Unity, UNO, by Pedro J. Chamorro--place and date not given]

[Excerpts] [Chamorro] What is the significance, within the context of the struggle against the Sandinist military dictatorship, of having shot down an MI-24 helicopter with a SAM-7 missile?

[Calero] That marked the end of our patience, because we had warned the Sandinists that if they used the helicopters we would be forced to use the missiles. They have launched us on this military buildup campaign and we are determined to face them in this field, with success.

[Chamorro] Do you have more SAM-7 missiles?

[Calero] Yes, we have some and will get many more, because those helicopters, as shown in the Afghanistan war, are awesome machines. In Nicaragua they have been used above all against the people: in the town of Santo Domingo the people came out of their houses bearing white bed sheets and asking for mercy. They [the Sandinists] did not show mercy and a large number of people were killed and wounded. They then said that those people belonged to our forces, when in reality they were civilians who had been killed indiscriminately by the foreign pilots who flew those machines.

[Chamorro] How do you know that they were foreign pilots?

[Calero] Because we have listened to their voices in some military communications, and if there is something the Sandinists cannot do it is to make a Cuban speak like a Nicaraguan.

[Chamorro] The pro-government newspaper EL NUEVO DIARIO reported that a helicopter was shot down--without specifying that it was an MI-24--under the headline "CIA used SAM-7." What do you have to say about this headline?

[Calero] This is caused by the Sandinists' sick attitude of not wanting to admit that a civil war between Nicaraguans is underway in Nicaragua. It is confrontation between democratic Nicaraguans and totalitarian Sandinists.

They (the Sandinists) insist on attributing everything to "superior powers" to portray themselves as victims, when in fact they are the aggressors.

This tactic is part of their general strategy of deception, which the Sandinists bombard the national and international public with day after day.

[Chamorro] Did you use any missiles donated or financed by the CIA or by the U.S. Government?

[Calero] The missile was not made in the United States. It was made in the USSR, because the Soviets do not care who they sell the weapons to or who they will be used against, as long as they get the dollars.

The missile was neither financed nor given to us by the U.S. Government; we purchased it with funds collected in several parts of the world.

[Chamorro] At which stage is the struggle against the dictatorship at this moment? What military operations have been carried out recently and what are the plans for the future?

[Calero] The military struggle is one of the facets of the struggle against the Sandinist military dictatorship; it is an important factor. Equally as important, however, is the opposition of the Nicaraguan people, who reject the Sandinist dictatorship, as well as the political struggle at the international level that has slowly increased the isolation of the dictatorship. Their request to temporarily halt Contadora's efforts is preposterous and reminds me that last but not least, there is also the regime's inability and its incredible lack of political tact, which is its most effective enemy.

[Chamorro] What is UNO's current situation and what are the chances for unity now that a dialogue with the Southern Opposition Bloc (BOS) has been started?

[Calero] UNO is a reality: A reality that was conceived by Robelo and Negro Chamorro in July 1984 and which became a fact in August, when along with NISURA [Miskitos, Sumus, Ramas] and the FDN an alliance called UNIR [Nicaraguan Unity for Reconciliation] was formed.

Later, a large number of people expressed their wish to join the alliance, among them many of BOS's top leaders who then surprisingly refrained from signing it, even though they had been granted several conditions they had set regarding the draft of the document and the inclusion of signatories.

UNO is firm and continues advancing. Every day a larger number of people join this effort and little by little it has become the most important factor in the struggle.

[Chamorro] And what about the dialogue with the BOS?

[Calero] Regarding that, the San Salvador document is clear in stating that our doors are open to all citizens wishing to join UNO. Our experience has been that by having citizens, rather than organizations, as its members is how movements are definitely consolidated and promoted.

UNO has a place for all those citizens who want to struggle, on a personal level or from within their own organization.



NICARAGUA

# GUIDELINES ISSUED FOR EMERGENCY RADIO SILENCE

PA261823 Managua EL NUEVO DIARIO in Spanish 24 Dec 85 p 7

[Communique issued by the Information and Press Dictorate of the Nicaraguan Telecommunications and Postal Services Institute, TELCOR--date and place not given]

[Text] The Nicaraguan Telecommunications and Postal Services Institute (TELCOR), through its Radioelectric Frequencies Directorate [DIFRERA] and fulfilling its functions as defined in Decree No 499 issued by the Junta of the Government of National Reconstruction, advises all civilian, state, private, and mixed institutions, organizations in general, diplomatic missions, ham radio operators, radio broadcasting stations, television stations, and autonomous agencies that own and/or operate radio broadcasting stations of the following.

Based on Article No 11 regulating the suspension of broadcasts in emergency situations (GAZETA No 122 of 28 August 1985), the Radioelectric Frequencies Directorate issues the following guidelines for use in the preparation of the plan for radio silence that each broadcaster will submit to this Directorate.

1. Submission of a description of the operation of the radio network or circuit, including information on the frequencies utilized, power output (in watts) of each broadcaster, their location, broadcast schedules, and the call letters of the broadcaster as assigned by DIFRERA.
2. Description of the network or system's control station, including the information detailed in Point No 1 of this communique as well as the telephone number, name and address of the person responsible for and/or operator of said station.
3. Submission of the full name, home address, home and duty telephones of the person responsible for the station. This person will guarantee compliance with the order for radio silence that the DIFRERA Commission will issue based on category priorities and on the situations described in Article No 4 of the regulations.
4. Submission of a plan of notice for each of the broadcasters, including a description of each broadcaster's operation, the way said order will be notified to the broadcasters, and the code that will be used in compliance with Article No 4.
5. This information will be submitted to the authorities no later than 30 January 1986, on a compulsory basis.

NICARAGUA

COUNTRY'S DEMOGRAPHIC PROBLEMS DISCUSSED

Census Information, Projections

Managua BARRICADA in Spanish 10 Nov 85 p 5

[Text] The director of the Nicaraguan Institute of Statistics and Census (INEC), Leonardo Sandino, said yesterday that Nicaragua's population problem lies in the internal distribution, not the population itself. He asserted that this year Managua has the highest concentration of the country's population, with 26.5 percent of all residents.

Appearing as part of a series of visits to Parliament by officials, Sandino explained Nicaragua's demographic problem and presented a historical evaluation of the population situation in Central America.

The INEC director pointed out that Nicaragua has followed the same demographic growth pattern as other Central American nations at present. He noted, however, that it contributes less than any country but Panama and Belize to the population density of the region.

He added that the principal demographic indicators that affect the current internal distribution of the population are the gross mortality and birth rates. Despite that, the fertility rate is the highest in Central America, a principal factor in the country's population growth rate.

Between 1950 and 1983, Nicaragua experienced a decline in its mortality rate, but by a lesser amount than any other country in the region. The data for Honduras in this regard is not reliable, he noted.

Sandino indicated that Managua is still the principal center of population concentration, followed by Region 4. He also stated that the country's total population is 3.272 million, of which 2/3 lives in the Pacific area.

The INEC director pointed out that to estimate the mortality rate, the censuses and surveys taken in 1977 and 1978 were used, as were the effects of new programs implemented by the Health Ministry and reliable data compiled by the INEC.

It is estimated that the fertility rate will be 4.5 percent by 1990, and by the year 2000 Nicaragua's total population will be 5.3 million. The number of people under the age of 14 will comprise 42.5 percent of the total. It is also expected that the mortality rate will fall from the current 9.5 percent to 5.7 percent during the same period, raising the life expectancy to 57 years.

When asked by the members of Parliament about the diversity of figures compiled by institutions such as the Ministry of Health (MINSA), the Ministry of Agricultural-Livestock Development and Agrarian Reform (MIDINRA), the Ministry of Domestic Trade (MICOIN) and INEC itself, Sandino stated that this discrepancy is due to the cut-off dates INEC imposes to compile the final statistics, and to the methodology used to conduct the surveys. He also explained that it is difficult to carry out a census in Nicaragua because of the aggression against the country and because of the cost of such an undertaking.

The socio-demographic survey that INEC has been conducting nationwide since July is designed to poll some 100,000 people to determine the exact population of the country and other facts.

Finally, the INEC director reported that by next April, the institution may be able to release reliable estimates of the country's demographic situation.

#### Growth of Managua

Managua BARRICADA in Spanish 1 Nov 85 p 12

[Article by Pablo E. Barreto]

[Text] Fernando Morales, an architect who works for the Ministry of Housing and Human Settlements (MINVAH), says that since 1983 work has been underway on a Plan for Urban Development in Managua.

A study is also being done on what Managua is like, how it works, and what its principal problems are.

This diagnosis of the capital reveals that the three fundamental problems are housing, transportation and potable water.

At the same time, officials are already discussing in what direction Managua can and should grow. Morales notes that there are a number of alternatives: developing along the highway to Masaya, or on the side of Ciudad Sandino, or decentralizing toward municipalities and towns such as Tipitapa, Mateare, Ticuantepe and Esquipulas. It is also felt that Managua may grow vertically, with multifamily buildings.

Morales explains that the diagnostic team will submit its report by the end of 1985, and at the same time will propose alternatives to the Office of the President of the Republic for discussion.

Several state institutions, including MINVAH, the Mayor's Office, the Nicaraguan Energy Institute and the Nicaraguan Water and Sewage Institute (INAA), are working together on this team.

#### Race against Time, Demographic Explosion

Morales notes, however, that the accelerated and uncontrolled growth is putting greater pressure on Managua, as is the population explosion. It is estimated that by the year 2000, Managua will have 1.7 million inhabitants. And by 2020, it will have 2.3 million, with an annual housing shortfall of 16,000 units.

Morales and Cmdr Moises Hassan, mayor of Managua, have reached the conclusion that the capital cannot continue to grow as it is now (it is expanding in several directions at once), because the costs of transportation and of pumping potable water are rising, and lands are being occupied that could be used for agricultural or community projects.

The two officials state that some shantytowns have even sprung up in areas for which the state has construction plans.

Talks are now being held with the residents of various shantytowns that have risen on geological faults, flood plains, or bordering high-tension electrical lines and towers.

In view of this, the Housing Ministry is not authorizing the development of streets, water pipelines, or electrical installations.

According to studies by the Mayor's Office and MINVAH, these neighborhoods that have sprung up without any planning are contributing to increased flooding in the capital.

Hassan and Morales agree that Managua should not continue growing toward the south, "because that is the highest part and the costs of pumping in drinking water are tremendous."

#### 24 City Centers

MINVAH states that Managua is divided into three major blocs: Eastern, Western, and Ciudad Sandino. The Eastern Bloc alone has more than 500,000 inhabitants, and that is where the most squatters' settlements have arisen.

Morales says that the study has revealed that Managua--sprawling, horizontal, scattering out to all sides--has 24 so-called "city centers."

What is that? They are sites or complexes such as Eduardo Contreras, where there is a market, a bus terminal, a Child Development Center (CDI), a police station, the Nicaraguan Telecommunications and Postal Services (TELCOR), SINACOI, a parking lot, a customs station, and a health center, and it is near Manolo Morales Hospital.

Other such centers are the Eastern Market, the Israel Lewites Market, the Camilo Ortega Civic Complex, the Eastern Highway, the Bello Horizonte Rotunda, Ciudad Sandino, the universities, Siete Sur, . . .

#### Trolleys, Streetcars and Samuel Barreto's Opinion

As for the future outlook, Morales states that the transportation problem of the future can be solved with streetcars and trolleys, but no decision has been made on that either.

Samuel Barreto, an architect who is participating in the study of Managua, asserts that the principal problem is still the fact that the capital is the main attraction for people from other regions and zones of the country.

He says that the decentralized development of the economy toward the north (for example) or the east should be considered. He also says that an "active hub" should be built up around Managua, and that industries should move to where the raw materials are.

Managua has a parasitic relationship with the countryside, and therein lies the principal contradiction. According to Barreto, the countryside should be developed and the necessary attractions should be created to keep the population from migrating to Managua.

He proposes that this "active hub" be developed across from Lake Managua, and parallel to it, good rail service should be developed to improve the transportation situation.

#### What Has Been Done, What Should Be Done?

While these discussions have been taking place since 1983, the Office of the Mayor of Managua has taken on the task of improving 850 kilometers of streets in the capital, as a task of the triumph of the Revolution.

Of these streets, 450 kilometers have been paved in the immense construction effort the Mayor's Office has made since the triumph of the Revolution.

Pavement has been laid in neighborhoods such as San Judas, Larreynaga, Santa Rosa, Isaias Gomez, Cuba, Monsenor Lezcano, Altagracia, Ducuali, Waspan, Camilo Chamorro, and on and on . . .

In addition, numerous community projects such as the Luis Alfonso Velasquez Flores Park have been built, and dozens of kilometers of potable water and sewage pipelines have been laid.

The mayor of Managua states that in 5 years, accomplishments that were not possible in 50 years of dictatorship have been carried out in Managua.

At the same time, however, many community projects scheduled for construction during these years have been delayed due to U.S. imperialist aggression.

23 January 1986

Much equipment lacks spare parts, because it is old and because the imperialists have imposed the economic blockade.

Cmdr Hassan says that now it is necessary to defeat the mercenary aggression, and that in the meantime we must maintain what we have in the city.

For this purpose, the organized people and the workers of the city of Managua must join efforts to solve community problems.

He emphasizes that while urban development alternatives are being sought, Managua should continue functioning, with the struggle of its people.

#### Housing Minister on Squatters

Managua BARRICADA in Spanish 6 Nov 85 p 6

[Excerpts] What is the main cause of the shantytowns that have been founded by thousands of families in Managua? How much has the capital grown, and why? How are the major housing projects for the coming years progressing, and where are they located? These and other questions were answered by Housing Minister Miguel Ernesto Vigil at the request of "Buzon Popular" [People's Mailbox], on the basis of the inquiries sent in to this section of BARRICADA by readers.

#### Without Repression

The problem of the shantytowns under a reactionary regime is solved through repression; in other words, the squatters are kicked out. Although the Revolution does not exactly promote such settlements, but rather is trying to organize the city rationally, there is no repression. The police do not eject the migrants from the places where they have erected their humble dwellings of wood or metal.

"We do not encourage the take-overs, but we feel that they will end as we respond to the land needs of the peasants in the rural areas."

In some cases, such as the settlement across from the U.S. Embassy, the occupants have been warned that this is a quake area. They have not paid attention, however, and are still there waiting for a disaster to happen, said Vigil.

#### Abuses

Vigil indicated that there have been abuses in some cases, such as when several members of the same family take over land and divide it up among themselves, or when people make money on the occupied lands, renting out parcels. "We are aware of these abuses, but often we do not have the resources to stop them; the victims themselves contribute to the problem by remaining silent."

There is even a black market for land, operated by criminals who rob the poor of their money. These criminals sell land that does not belong to them, and in desperation, the poor give away their money in a frustrating experience.

We asked Vigil about the complaints from many Sandinist Defense Committees (CDS) that have requested vacant land. "What happens," he told us, "is that most of these vacant lots have owners, and there is no law in the republic authorizing the CDS or our Ministry to appropriate land owned by others. We cannot be so arbitrary. Thus, we will not assign a parcel if we are not certain who is the owner and if we do not have right on our side."

Regarding those who occupy lands near bodies of water, Vigil agreed that it is dangerous to settle there, but the people will not be evicted unless something happens. Then the necessary transfer will be made.

Finally, he stated that the Ministry has plans to build about 3,600 housing units this year.

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CSO: 3248/114

NICARAGUA

BRIEFS

DONATION FROM USSR, CZECHOSLOVAKIA--Thousands of tons of medicines, food, machinery and flour donated by the USSR and the CSSR recently arrived in Port of Corinto, and were received by Jose Angel Buitrago, deputy minister of foreign cooperation. They were delivered by German Shlyapnikov and Gustav Stopka, Soviet and Czechoslovakian ambassadors respectively. The Soviet donation totalled \$1.615 million, while the Czechoslovakian donation amounted to \$14.6 million. [Text] [Managua BARRICADA in Spanish 15 Dec 85 PA] /12232

NON-REIMBURSABLE SWISS LOAN--Bern--The Federal Council of Switzerland, headquartered in this capital, has approved a non-reimbursable loan [prestamo no reembolsable] for Nicaragua of 11 million Swiss francs (approximately \$5.5 million) for the Chi-North Project and other agricultural projects. [Excerpt] [Managua BARRICADA in Spanish 18 Dec 85 p 1 PA] /12232

CSO: 3248/131



PARAGUAY

PATRIA EDITORIAL SCORES ABRAMS' REMARKS

PY302210 Asuncion PATRIA in Spanish 30 Dec 85 p 7

[Editorial: "Here Comes Another One"]

[Text] The Department of State will never be sufficiently purged of stupid people, especially in the Latin American Affairs Department. In this office, during the term of the unfortunate pastor and peanut grower Jimmy Carter (ineffable, well-loved by the unrecognized opposition in Paraguay and by all types of leftists in Latin America, including the Sandinists) we already had to put up with the undisguised [desenvainada] (or exposed [desenfundada]) Patricia Derian. Now someone by the name of Elliott Abrams--nice to know him--is not far behind that lady making the same mistakes as an "illiterate" regarding the realities of this hemisphere, where President Reagan, with a clear sense of realism, wants to see in depth, to interpret the substantive signs, and to stop the rhetoric and the worn-out cliches for the consumption of the "municipal and thick masses," as the irreverent poet used to say referring to the general public who take what they read or what they are told for granted, not using their brains for fear of overheating them. The occupant of the White House certainly is not satisfied with the rhetoric and the cliches; but, as we can see, this man Elliott Abrams, who at first glance appears to us to be a man who talks on the spur of the moment, without thinking much and without any logical consistency, and he does it from a post where he can cause great damage.

In a press conference "to review the events of 1985," going from the airplane catastrophes to the status of democracy, the assistant secretary of state for interamerican affairs--whose knowledge about the countries south of the Rio Grande does not deserve the Nobel Prize as far as we know, not even the most modest Pulitzer Prize or the IAPA award that is bestowed on publishers with fat checkbooks rather than on journalists with paper pads and typewriters--came out with remarks so preposterous that they would not serve as distasteful jokes meant to handle an embarrassing situation.

A journalist attending the press conference, who was not identified by the official U.S. Information Service, asked this extremely pointed question: "Why is it that we hear so much about Nicaragua and nothing about Paraguay?"

Immediately, this man Abrams, who like a drunkard returning home in the pre-dawn hours, cannot find the keyhole or realize that he has in his hands a half-smoked cigar, not the key--spoke and thought with the same unsteadiness, blurting out this answer that is worthy of entry in an anthology of nonsense: "Well, you may ask the same question about Chile, why do we hear so much about Chile? There are some dictatorships that we hear a lot about and others of which we hear little; about Paraguay we hear even less. I believe that this is because in Paraguay there has not been the same kind of powerful and open opposition as there has been, for example, in Chile, Nicaragua, or in Cuba, if that is the case...although in Cuba the opposition was forced to go in exile. I believe one of the reasons there is less discussion about Paraguay is because the Paraguayan democratic opposition is less organized."

Nothing can be added or erased from Abrams' remark; its contents as such will boomerang and hit him right on the head--let us say head, not to be pornographic mentioning other parts of the body. Remarks such as this one ridicule a man who serves as the political feeler in this region for the administration of the world's greatest democracy and whose operations are designed to intelligently neutralize the campaigns of defamation that are broadcast from the centers of propaganda that function behind all the communist curtains.

The reader should go over this quote with us. In the first place, the reader will find that where there should be an answer that is concise, and to the point, we find one that is absurdly circuitous. The remark begins by disorderly and haphazardly citing countries and confusing situations with quite different institutional and ideological natures. His shortsightedness may not have obvious consequences in times of peace, but would be catastrophic in times of war, for precisely institutional and ideological reasons.

After getting tangled up in the subject that was restricted to the question of why so much is heard of Nicaragua and nothing about Paraguay, this man Abrams contradicted the point he wanted to make by recognizing that in Nicaragua or in Cuba "the opposition was forced into exile." At the same time and with the ignorance of a donkey, he disqualified the Paraguayan opposition, denying that it is "powerful and open" and branding it as "less organized," without ever mentioning its border skirmishes, its invasion attempts, or its canvassing for solidarity. Through these efforts and after its defeat in the 1947 Civil War, the opposition--ranging from Liberals to Marxists--tried to seize power in Paraguay, to dislodge the Colorado Party by force, and with particular violence to destabilize and eventually overthrow the government of President Stroessner, the leader of the nation.

Notice that so far we have only raised a minor objection to the remark, because all sensible people know, regardless of their reservations about Paraguay (such as one may have about any state, including the Vatican, if only because of the Ambrosian Bank, Cardinal Marcinkus, and the "Propaganda II lodge"), that it is rationally impossible to strike comparisons among situations having no common elements.

We will not be as ridiculously arrogant as Abrams, who posed as a political scientist putting all the countries he cited in the same bag. We will restrict ourselves to our country, loyal to the principle of self-determination--not knowing how this fits to the White House's plans for Central America, although we agree that communism must not expand its frontiers in Latin America.

If we did not have the same kind of powerful and open opposition" [quotation marks as published] here, it is not because the opposition did not continuously try in all imaginable forms, but because the Colorado Party is more powerful than the entire opposition in Paraguay, and because its program under the patriotic leadership of President Stroessner--the soldier-statesman of clear vision and firm decisions--has rescued the Armed Forces from the coupist spiral which for long years pointlessly bled themselves. Unfortunately the same thing happened throughout Latin America, with completely negative effects.

Since this essential correction took place in Paraguay, less has been heard about our country than about other countries that fell victim to violence, communist infiltration, guerrillas, institutional breakdown, and de-facto emergency solutions bypassing the dictates of their constitutions. However, this silence, if there were such a silence, did not exist for us, the victims of so many unjust and malicious stories. It existed because Paraguay has been free of torture, dirty war, kidnapping, political assassination, and endless lists of missing people; because all the attempts at guerrilla warfare and terrorism were squelched; and because all along the country's overall development has been nurtured. It also existed because a democratic multiparty system was installed, and permission was granted for the regular functioning of all the legally recognized parties, inclusive of all factions and movements provided they did not support subversion and armed struggle as a means to seize power. Here the "ultra" opposition that refuses to participate and indulges in rhetorical provocation is minimal. In addition to the Colorado Party that constitutes the overwhelming majority, all the legally recognized, democratic, and participatory opposition carry out its activities normally and it has no reason to take to the barricades to denounce what it can denounce through the press or debate from its seats in Congress. The opposition can do that, unless it prefers to abstain and cast a blank vote like the Febrerista Revolutionary Party does, to hide its lack of followers and its inborn coupist instincts.

That man Abrams--who as can be seen, does not know much about the hat the Department of State put on his head--does not know that a legitimate constitution, which has been publicly debated and freely consented to by representatives of all parties elected by the people in the memorable 1967 constituent assembly, is in force in Paraguay. Neither does he know that for more than 2 decades, the elective authorities of the government have emerged from elections in which several parties participated and in which more parties can participate as far as the Constitution and the laws permit. Only the minorities in disarray unable to accommodate themselves to the legal order refuse to participate in those elections. However, Paraguay's legal system cannot be censured here, because it is basically similar to

the one prevailing in the most prestigious Western nations. What is worse is that that man Abrams does not know that the leaders of those legally unrecognized minorities of the opposition had in the past participated and held elective offices, up until they lost any hope of being voted into government by the people. Having lost that hope, those leaders abandoned the active civic contest of their own accord, in order to try, through illegal routes, to put together a collusion of complicities and pressures intended to destabilize the Paraguayan institutions, but with such little success that not even Abrams has noticed it, despite his inclinations toward the opposition.

/6091

CSO: 3348/326

PERU

## RELATIONS WITH CUBA SEEN DESIRABLE IN SPITE OF CASTRO

Lima EQUIS X in Spanish 2 Dec 85 p 3

[Commentary by Julio Cabrera Moreno]

[Text] Our Ministry of Foreign Affairs has announced that it is engaged in the reestablishment of diplomatic relations at the ambassadorial level with Cuba. This fully satisfies us because Cuba is a fraternal country which is an integral part of the Latin American community, regardless of the kind of government which functions there. We say this with the authority which comes from our having been the most persistent critic of the Castro regime in our country, from our social democratic point of view.

It is necessary to distinguish clearly between diplomatic relations between states and attitudes toward them which their different political regimes may deserve. These are matters for the respective peoples which may accept the various regimes, suffer under them, or oppose them. For Peru, as a sovereign nation, it is in our interest to maintain relations with all countries of the world.

And we are particularly interested in ensuring that such relations, at the highest level, are not subject to any kind of exceptional treatment, when we are concerned with Latin American nations such as Cuba, despite the fact that the totalitarian form of government which has been established on our sister island saddens us deeply and despite the fact that we repudiate Cuba's political and economic dependence on the Soviet Union.

There was a right wing commentator, fearful of and obsequious to North American imperialism, who, as if we were still living in the time of Prado or Beltran, dared to recommend a few weeks ago that, in order not to anger Washington too much, we should not, among other things, normalize our diplomatic relations with Cuba.

The government of President Alan Garcia, with the support of Alan Wagner, our clear thinking and dynamic Minister of Foreign Affairs, has done very well in not paying any attention to such an irrelevant recommendation. The interests

of the Peruvian state come before any lesser calculations by the survivors of the traditional lackeys of the oligarchical type.

The decision to raise the status of our relations with Cuba is one more bit of concrete evidence of the new international policy which is leading President Alan Garcia to strengthen our relations with the Latin American community and to underline vigorously our active presence in the Third World and in the movement of the non-aligned countries.

No one is unaware of the fact that Cuba is carrying on within the Third World and among the non-aligned countries a policy of turning its back on Latin America and in favor of the hegemonic goals of the Soviet Union. However, normal relations with Cuba could make it possible for our diplomacy, operating with the flexibility and the intelligence which characterize it, to neutralize as far as possible the pro Soviet and messianic daring of Fidel Castro.

Alongside this possibility we should emphasize the fraternal, hemisphere wide breadth of vision which President Alan Garcia has displayed in our relations with Cuba. It is enough for us to recall the unfortunate history which preceded our decision to exchange ambassadors with the Fidel Castro government.

In the first place we must remember the circumstances which led to the withdrawal of our ambassador from Havana. As will be remembered, everything began with Castro's refusal to issue a safe conduct to a group of Cuban dissidents who, making use of the Latin American institution of asylum, asked for the protection of our embassy in Cuba. Our country could not permit and did not permit the right of asylum to be breached, and the consequent stalemate was thereby created.

Then came the unprecedented scandal of leaving our embassy in Havana without any kind of protection, making it possible for some 10,000 refugees to enter the gardens of our diplomatic mission. Not content with this, hostile demonstrations were organized around our embassy, in which studied and preconceived insults of a highly vulgar tone were directed at Peru.

Some time later, when Alan Garcia became president of Peru, Castro sent to the new Peruvian chief of state a so-called message of "greetings," which was nothing more than an impertinent provocation offensive to all Peruvians. This message, of course, was not acknowledged by our Ministry of Foreign Affairs, which never responded to it.

Finally, as the Latin American and Third World leadership style of Alan Garcia was being recognized internationally, Fidel Castro in Havana and his minister of foreign relations at the United Nations made use of improper and unacceptable terms to describe our president and his independent foreign policy.

Showing his stature as a true leader, avoiding any kind of excessive language and the dictates of any kind of imperialism, President Garcia ignored all of these incidents. Incidents of the past were left in the past, because now we should only consider the permanent interests of our two fraternal people, which can only prosper if we remain united, despite our differences, within the Latin American community.

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CSO: 3348/283

PERU

## GARCIA SAYS MOST NATIONAL, U.S. INTERESTS COINCIDE

Lima EQUIS X in Spanish 4 Nov 85 pp 26-29

[Interview with Peruvian President Alan Garcia by Marcel Niedergang of LE MONDE; date and place not specified]

[Text] Peruvian President Alan Garcia has been in office since 28 July and is supposed to speak before the United Nations General Assembly on 23 September. He granted us the following interview:

[Question] THE WALL STREET JOURNAL has written that you call yourself a Marxist. Is this a bad sign?

[Answer] First of all, I think that this is a misinterpretation by the journalist. During our talk I referred to the fact that APRA [American Popular Alliance] initially drew its inspiration from Marxism. But even so, it was a Latin American interpretation of the philosophy of Marxism, not a sickly imitation of the 19th century European political ideas that led to Marxism.

[Question] Of course. But to the average American communism and Marxism are the same thing.

[Answer] Right. This is why I have had to explain that the issue of the foreign debt today illustrates the relationship between the rich and poor on this planet. And I have refused to interpret it as an East-West relationship. In short, if there is anything that distinguishes me, I can say modestly that it is my defense of Latin America and the Third World vis-a-vis financial capitalism. My position is strictly nationalist and has absolutely nothing to do with the battle between American economic liberalism and Soviet Marxism.

## Relations Between the United States and Peru

[Question] For the time being your relations with the United States are ambiguous. Your language has been harsh and even cutting. But your two countries are working together in the battle against drugs and subversion, and Peru has just taken part in the Unitas joint maneuvers.



[Answer] Our relations with the United States are necessary. They must be maintained. But we have to improve them, for example, in the case of the American firms whose behavior here has not been particularly to our benefit. We are going to negotiate new cooperation agreements. The companies in question have agreed to this. This is evidence that things can always be done better. Another example: the foreign debt. It would be a good idea to review the interest rates and the demands of the International Monetary Fund. The point is not to break off ties; it is to talk, negotiate and keep possibilities and legitimate interests in mind.

In addition, we have set in motion a moralization campaign that indirectly coincides with the goals and interests of the United States. This is an issue that touches on the comprehensive defense and national security of the United States. Drug use is destroying the foundations of American society. Peru, unfortunately, is a cocaine-producing country. Our campaign has enabled us to deal the harshest blows ever to drug traffickers in Latin America. And we are going to keep it up.

It is true, as you say, that there is a degree of ambiguity in our relations with the United States. But there are two points about which there will never be uncertainty: the defense of Peru's national autonomy and its right to pursue an economic program without the intervention of the International Monetary Fund.

[Question] You are a supporter of Sandinist Nicaragua. In the short run this has been another source of discord or at least friction.

[Answer] No, not at all. Our stand is very clear. The self-determination and sovereignty of nations must be respected. Our principles also oblige us to call for the unfettered development of political forces in Nicaragua. But we cannot demand everything right away. We cannot demand the sort of democratic rituals to which those of us who study the theory of democracy are used to.

The fall of the Somoza dictatorship was a step forward, the start of something. This is a process that I am sure will gradually improve on itself. I have always thought that the superpowers are neurotic about this issue. They make a fetish, so to speak, of their antagonism, and their view is distorted, as in the case of Nicaragua. This is the viewpoint of the Reagan administration! Such a mistake could further aggravate conflicts and turn into a real problem for the United States.

#### The Payment of the Foreign Debt

[Question] But do you or do you not admit that the United States has strategic interests in Central America and the Caribbean?

[Answer] The United States has not really reassessed its strategy since the 1950's. It feels that the North Atlantic, Southeast Asia and the Caribbean are special spheres of influence. It has seemingly not understood that over the past 20 years the stunning advances in space technology and missiles have

modified the picture. Perhaps I am wrong, but American strategy has not evolved at the same speed.

Nicaragua is a serious problem for the United States from its viewpoint. But it is a tree that is preventing the United States from seeing the forest, as long it is imbued with the theories of the 1950's, the idea of the Cuban threat, etc. The real problem is the rest of Latin America, a continent that is very close to them and that is on the verge of a social explosion. This will be a real headache for the United States very soon. I am convinced that if things continue as they have, even the most conservative and authoritarian governments will grow hostile to the United States. If I could take the liberty of giving American leaders a piece of advice, and I am careful about taking risks, I would ask them to seriously reassess their strategy.

[Question] You have decided to earmark just 10 percent of your export earnings to repay your foreign debt. How have international financial institutions reacted?

[Answer] I have to say that I have been surprised. The main international institutions have been very sensible. Private banks have also reacted sensibly. This is comforting. It means that they want to better understand our political and social problems.

[Question] The chairman of the Federal Reserve Board, Paul Volcker, has said, however, that your 10 percent policy was not a very satisfactory solution.

[Answer] I will not comment on Mr Volcker's statement, because he represents a government institution. What I can say is that private banks, the European countries and international financial institutions have reacted very tactfully and hopefully.

[Question] For how long and to whom will the 10 percent policy apply?

[Answer] For as long as circumstances do not change. Basically, we will pay back the loans that will further development; we are not getting on a loan merry-go-round (taking out loans to pay back past due loans), thus getting ourselves further and further into debt.

[Question] The United States might feel that you are setting a bad example.

[Answer] It is the United States that is giving a bad example. They raise and lower their interest rates without giving any thought to the consequences for other nations.

#### Fidel Castro's Attitude

[Question] Fidel Castro has recommended that the debtor countries not pay back their loans. He brought together a great many people in Havana at the debt conference. Hasn't he thus become the leader of the radical movement of defiance in Latin America?

[Answer] I respect Fidel Castro greatly. At one juncture in history Cuba represented a very important break. But when one endeavors to be a revolutionary, the essential thing is to suffer the consequences of the decisions one makes or the wishes one voices. We in Peru have a real problem with the IMF and with the American banks. Our fate really depends on what we say, and our course of conduct entails real risks. As far as I am concerned, I would not venture to give advice to those who do not share my problems. Now that I have said this, there will be others who will speak out against the IMF. And this will be more useful.

[Question] What will you do if Peru's economic situation does not enable you to earmark even the 10 percent?

[Answer] I think that repayment is possible. We do not wish to shut off our credit lines. Our position is realistic. We are part of an interdependent world. Those who advocate default on the debt are taking a childish, unrealistic and extremist approach. We are not going to abandon the financial system; we just want to change the ground rules. You can be sure of that. We are going to remain part of mankind...

[Question] Are you at least in favor of a broad understanding among Latin American countries?

[Answer] Of course. All the way. Latin American integration is a sine qua non condition for things to change. But I am not making the present actions of the Peruvian Government dependent on future Latin American integration.

[Question] Have you already been in touch with other governments in the region about gradual disarmament?

[Answer] Latin America is a paradise for good intentions and definitive statements. I don't want to allow myself to be won over by rhetoric or to fall into the vicious circle of expectations. Some say that the only solution is a union of all the debtor countries, but they do nothing but wait for such a union to happen. I have taken a step forward. Peru is the only country that has set limits on its debt repayments. It's the same thing with the regional disaster. You hear so many fine-sounding, idealistic statements. But everybody keeps on buying weapons. We said that we ought to give an example and we have decided to cut back the weapons we agreed to purchase from France.

[Question] Have you already begun the new negotiations with Paris?

[Answer] We have given orders to begin discussions. We will take a close look with the other party at what the contract allows.

[Question] Could you sell your Mirages for a profit to third-party countries? To Arab nations?

[Answer] I wouldn't go that far. Business is not my specialty.

[Question] Aren't you discriminating against France in cutting back your military expenditures? What about your weapons purchases from the United States and the USSR?

[Answer] We don't have anything specific against France. The contract for the 26 Mirages was simply the fattest deal, Peru's biggest weapons contract. We want to give priority to outlays for development. This is only practical.

[Question] You have made many spectacular decisions since 28 July. You give the impression that you're working against the clock.

[Answer] Five years is a very short term of office to do everything that has to be done. Peru was a colony for several centuries and has been a republic for 160 years. Something has to be done, and fast.

[Question] But how are you going to keep up this pace?

[Answer] By quickening it even more.

[Question] It is often said in Lima that your administration is reviving the issues of the Velasco government.

[Answer] Listen. People are saying this perhaps because we are talking about nationalism or the need to humanize the economy, as during the time of Velasco. But there is a minor difference. Fifty-three percent of the Peruvian people elected me; no one elected General Velasco.

#### The Battle Against Subversion

[Question] What remains for you to do to really clean up the government?

[Answer] To take every necessary measure until there is no more abuse, corruption or dishonesty. We have to reorganize the police force so that it really works well. We have to make the judiciary more ethical, even if it is autonomous. Being autonomous does not mean that it is untouchable. Of the 22,000 prisoners suffering in our jails, only 7,000 have been sentenced. As the chief of state I have a duty to order government agencies to fulfill our society's expectations.

[Question] You have declared war on drug traffickers. That is dangerous.

[Answer] Perhaps personally, but the country has to be made aware. I cannot be the president of a country in which there are clandestine airports and in which cocaine is a business worth hundreds of millions of dollars. Peru cannot and must not be a drug plantation.

[Question] Are there or are there not political prisoners at the moment in your country?

[Answer] There are no political prisoners. Terrorism is a common law crime. Killing, hurling explosives, setting off car bombs, all this comes under

common law. If I did not believe this, I would not be here in the presidential palace. And I would not have chosen the democratic path. No one with a gun in his hand can claim to be master of history.

[Question] But the battle against subversion also has to be political. When will you begin?

[Answer] We have already begun. The political battle against subversion consists of isolating the rebels from the population. The rebels try to stir up a revolt among the people by underscoring their poverty. Our State is democratic and nationalist. The best political struggle is action.

[Question] Do you have the backing of the Armed Forces in pursuing this pacification strategy?

[Answer] The military is the first to understand this fact: enormous poverty and armed subversive groups are an explosive combination. The situation could get out of hand. We could lose a Vietnam-style war if we fail to take a political defense approach. This is what we are doing, demonstrating that this is a government of all Peruvians. This is something that the military understands perfectly well, believe me.

[Question] Are you going to remove the military from the emergency zones under Armed Forces jurisdiction?

[Answer] We are not idiots. It is one thing to help depressed, forgotten regions to develop, to set up "microregions" with new administrative and financial powers. We want to provide these regions with government services, health care, schooling, the loans that they badly need. It is another thing to leave the field wide open for the extremists, the political mercenaries there. You can be a revolutionary but not an imbecile.

[Question] Do you want to negotiate with Shining Path?

[Answer] I can't imagine talks around a table between the representatives of the Peruvian people and the delegates of a group of extremists who use weapons and dynamite. I am not interested in that kind of negotiation. But I do not wish to and I cannot rule out the possibility of making people who are in the wrong see the light. From this standpoint I would say that there are enough indications for us to think that things are on the right track.

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PERU

# LEON DE VIVERO APPOINTED APRA PARTY WHIP

Lima EQUIS X in Spanish 28 Oct 85 pp 18-19

[Article by Benjamin Odriozola]

[Text] The appointment of veteran leader Fernando Leon de Vivero as president of the APRA [American Popular Alliance] congressional bloc has met with wide-ranging approval, both inside and outside APRA; accompanying him in various posts are other distinguished party members. Fernando Vivero de Leon has a long and combative record as an APRA activist during hard times, having been jailed and exiled on several occasions. The feeling is that given his loyalty to the party and his firm hand he will enhance party discipline in Congress, especially in the case of the so-called "absentees," against whom the secretary general, Armando Villanueva del Campo, has taken action. One of the most flagrant violators of party discipline has been the neo-Aprista legislator Alfredo Barnechea, who seems to find congressional work unpleasant unless he is always in the limelight. It is hoped that the experienced leader who will be taking over as party whip can put an end to such displays of indiscipline, which are impairing the administration's efforts. In this regard Armando Villanueva has done well to take drastic action to insure regular and consistent work by the members of the APRA congressional bloc, inasmuch as their performance has hitherto left much to be desired, especially when compared with the dynamic style of the president of the republic, Alan Garcia Perez.

## Reorganization of the JAP [Peruvian Aprista Youth]

Separately, it has been learned that several internal problems have arisen in the wake of the decision at the party's most recent congress in July to reorganize Aprista Youth. The National Executive Committee recently announced the start-up of the overhaul, which according to certain members of the JAP calls for steps that could be regarded as inimical to the group's organizational autonomy. They claim that the National Youth Secretariat is the force behind those steps, inasmuch as it has been in constant conflict with the JAP rank-and-file.

One of the reasons for ordering an overhaul of Aprista Youth is the quite serious problem of indiscipline, unethical conduct and factional strife within Federico Villarreal University. "What ought to be revamped, then," the JAP

leaders argue, "is the University Command. We have nothing to do with Villarreal." And they point their fingers at certain leaders who out of personal interest and ambition have corrupted university authorities.

The same JAP leaders contend that if there is to be a reorganization, it ought to begin at the top, that is to say, with the Youth Command. Moreover, they want to be involved in the overhaul by being named to the reorganization commission, and not just so that they can do agitation and propaganda work during election campaigns. They are also calling for a renewed and ongoing dialogue between adult and youth officials, especially at meetings such as the "colloquiums" that Haya de la Torre was always holding. They suggest that the party's secretary general, Armando Villanueva, could resume these colloquiums.

#### APRA Youth Backs Alan Garcia

For the most part, Aprista youth, in keeping with the political times and the responsibility of all party activists, want to take active part in the task of transforming the country that Alan Garcia has set in motion. They feel that they are not being allowed to act freely enough in this field and, what is more, that certain restrictions are being placed on their initiatives.

All of this clashes with their combativeness and their current euphoria, which has been greatly spurred by the example of Alan Garcia and especially by his spirited stand against imperialism and in defense of the interests and aspirations of the country's most underprivileged sectors. For this reason, they say, some have dubbed them "Alanistas." They retort that they are supporting the current president because "he is the one who has restored the party's true identity, which had long been lost."

Their assertion makes sense, inasmuch as Alan Garcia's policies of change have galvanized young people, who are always disinterested, idealistic and committed only to the great collective tasks for the benefit of the nation and the masses. And this is happening outside as well as inside APRA. Young people are thus closing ranks around the youthful president, growing enthusiastic about his daring and vigorous national and continental leadership, and trying hard to emulate him, which does not seem to be to the liking of other much more deliberate and cautious leaders.

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PERU

## IU POLITICAL PRONUNCIAMIENTO APPROVED AFTER DEBATE

Lima EQUIS X in Spanish 2 Dec 85 pp 18-19

[Article by Benjamin Odriozola]

[Text] After extended debate the "Political Statement of Izquierda Unida" [IU--The United Left] was approved on 23 November. This document is intended essentially to define its attitude toward the Aprista [APRA--American Popular Revolutionary Alliance Party] government. However, included in the statement is a categorical declaration which recognizes "the important role played by Alfonso Barrantes Lingan, its president. This rejects in an uncompromising way the campaign of insults directed against him and from right in front of him."

In this regard it is known that at this meeting of the Executive Committee the PUM [Mariateguist Unified Party] tried to eliminate the above declaration, stating that it was not essential. However, in view of the firm position displayed by those who supported it, the PUM felt obliged to sign the statement, perhaps thinking that the impact of the document would be limited by the mention of the words "from right in front of him," as also referring to a campaign of insults.

### Drafting and Debate on the Document

The document was drafted and proposed by a committee made up of delegates of the UNIR [National Union of the Revolutionary Left], the PCP [Peruvian Communist Party], and the FOCEP [Student-Peasant-Worker Popular Front]. However, it was revised and amended by Alfonso Barrantes, who introduced it at the meeting. The debate on it lasted from 9:00 am until noon and took place at the offices of the PCP.

The discussion of other matters, like those related to the structure of the IU and the strategy to be followed to ensure that the IU "is fully united with the mass struggle movement," was postponed until a later occasion. Regarding the position of Alfonso Barrantes as president of the IU, in view of the criticism directed against him from within the front by leaders of some of



the parties belonging to it, this matter was clearly resolved by the statement to which we refer above and which is an unmistakable vote of confidence.

Regarding the extended text of the statement referred to above, analysts believe that it reflects in particular a state of mind on the part of the leaders of the IU and especially of some parties, in view of a well-known loss of position due to the surge in popularity of the APRA during the last 4 months. At the meeting it was impossible to hide the desire to minimize the achievements made and the proposals presented by President Alan Garcia and his government. And they went to the extreme of relating the policies of the APRA to those of the big capitalists, which is clearly unjust and which seems to repeat the same error made by the Marxist Left regarding the trial which General Velasco Alvarado conducted.

About four-fifths of the document were devoted to criticism of APRA policy in all areas, seeking to depict it as a simple alternative to the modernization of the system, "with authoritarian purposes and without the least desire to change the capitalist structure of our society." For that purpose the document insists on attributing to the present Aprista leadership views which already appear to have been overtaken by events, such as its alleged "ambivalence toward imperialism" and the ability of capitalism to rid itself of "its cruel aspects of human exploitation" and to carry out an "educational and constructive task."

Recalling the varying positions of Mariategui and of Haya de la Torre, while alleging that the APRA Government is not making any effort to change the economic and social structure of the country, it contrasts the alleged APRA policy of "reformism" and the revolutionary and socialist attitudes of the IU. In this respect it rejects as mere words the statements by President Alan Garcia on a social democratic point of view which would be developed as a result of the political activity of his party.

#### Exaggerated and Unjust Criticism

Many of the criticisms made in the document certainly appear exaggerated and even unjust, particularly because they evaluate the work already done in static terms, without considering the short time which has elapsed since Alan Garcia became president or the immense difficulties which he has had to confront and deal with in strategic terms at a time like the present.

Everything seems to indicate that the document in question has come to represent a deal between the attitude of certain "hot headed" leaders determined to lump in the same category all political movements other than its own and the broad and realistic attitude of Alfonso Barrantes Langan. As far as the rest of the document is concerned, the president of the IU, in subsequent statements to the press, has emphasized following a pattern of broad and realistic behavior. And he has said that although in the statement made and in his own attitude there is no ideological or political reconciliation attempted with the government of Alan Garcia, "neither is there

an irrational attitude displayed reflecting opposition which would damage the process of achieving democratic stability, in which all of us are and should be engaged."

Consequently, there is no sign that, although some of the hot-headed leaders within the IU seem to want it, the statement of 23 November represents anything like a declaration of war on the APRA and on the government of President Garcia.

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PERU

EQUIS X EXPLAINS IU RIFT, BARRANTES' SUPPORT FOR GARCIA

Lima EQUIS X in Spanish 28 Oct 85 pp 8-10

[Article by Jorge Luis Acevedo]

[Text] Very much in tune with the atmosphere during this month of the Lord of Miracles and the bullfights, Alfonso Barrantes Langan performed like an experienced matador. With politically accurate thrusts he quickly dispatched the individuals within IU [United Left] who sought to challenge him. And then, after cutting off ears and tails, he was borne off on the crowd's shoulders.

The matter was resolved by Sunday the 20th, after his main adversaries in the leftist group had skillfully orchestrated a series of public attacks, rumors and intrigues against Barrantes Langan. They had called a meeting for the previous Friday, but Alfonso Barrantes did not attend, and therefore it was almost not held. The United Left president immediately called another meeting, of the National Steering Committee, for Sunday, at which he spoke to them in no uncertain terms and put a resounding end to their maneuvers. One of the leaders loyal to Barrantes told us in this regard: "I did not expect it would be so easy to foil the conspiracy, but it was. There is no doubt that Alfonso's ascendancy remains intact..."

The attacks against Barrantes had sharpened during the 2 weeks prior to the denouement. There were insinuations that he was not showing enough leadership; he was criticized for not calling a session of the National Steering Committee since August, and there were quiet charges that he had pro-Aprista Party leanings.

The attacks came mostly from two leaders of parties belonging to IU. On the one hand, there was Gerardo Ledesma, who has not gotten over his longstanding resentment at having been displaced by Alfonso Barrantes as top man in the leftist front. As if Barrantes could ever be accused of the sort of mediocrity and lack of charisma that the FOCEP [Student-Peasant-Worker Popular Front] leader suffers from. On the other, there was Carlos Malpica, a small-time local boss from Cajamarca, who has never forgiven Barrantes, the son of peasant farmers, for having become one of the most important leftist leaders in Peru and Latin America, while he is nothing more than an economist and a congressman who plods more than he sparkles.

These two resentful politicians could be likened to a spearhead for those in the rear and, to an extent, in the shadows who have been scheming against Alfonso Barrantes, hurling stones and then hiding their hand. Foremost among them is Javier Diez Canseco, who is preparing to run for president in 1990 and knows well that Alfonso Barrantes is the logical candidate and is not going to be displaced for any reason by anyone as long as he remains in IU.

The entire campaign against Barrantes was picked up and artificially and self-interestedly inflated by the pseudo-leftwing scandal sheet that DIARIO MARKA has become (its circulation is entirely in the underground). The paper has turned into a sounding board for the scandal-mongering of former SINAMOS [National System for Supporting Mobilization] leader Carlos Angulo (who is now a super-duper leftist), the professional resentments of Felix Arias Schreiber, and, to round out the trio, the enlightened dogmatism of Cesar Levano. Moreover, rightwing papers such as EXPRESO, OIGA, CARETAS, OJO, etc promoted the campaign.

Furthermore, Javier Diez Canseco got his friend, PUM sympathizer Fernando Ampuero, to invite Carlos Malpica (also from the PUM) to vent a bit of his spleen on the TV program "Uno Mas Uno." Cesar Hildebrandt also helped to spread the campaign against Alfonso Barrantes.

According to the conspirators' plan, the campaign was supposed to culminate at the meeting of the National Steering Committee that they had called for Friday the 18th. They figured that Alfonso Barrantes would stand like an accused man before his judges at the gathering. But Barrantes left them all dressed up with nowhere to go. He simply did not show up, telling them that he had a previous commitment to some Latin American friends. In fact, he behaved as if they did not exist, making them feel worthless without him. He left them to argue by themselves.

#### Meeting at Barrantes' House

But that was not all. He immediately summoned them to another meeting, on Sunday in his house. And there he put his cards on the table, at the same time as Carlos Malpica was venting his anger on the program "Uno Mas Uno."

Alfonso Barrantes told them in brief that he had been informed of the two criticisms that were being leveled at him: 1) that the IU was in very bad shape, and 2) that it was Barrantes' fault that its Steering Committee had not been meeting. The charges were completely untrue, he told them forcefully, because IU is not bad off; it is growing and organizing through a large-scale membership drive; and if the Steering Committee has not been meeting regularly, it is simply because "many of you have not been there to make a quorum." He then cut short any possibility of bickering by adding: "But let's not argue. If you are dissatisfied with my performance, I am prepared to resign the presidency. And I will do so here. I have no personal interest in continuing on as IU president. But I can tell you what is going to happen: you'll take off with your parties, and I'll stay behind with the rank-and-file of United Left. We'll see where things stand."

Barrantes' harsh, forceful and categorical words fell like a bombshell among the conspirators. He backed them against the wall and forced them to seek an "honorable retreat." In attendance were Jorge del Prado (Peruvian Communist Party), Alfredo Filomeno (Revolutionary Socialist Party, standing in for Enrique Bernales, who was on a trip), Alberto Moreno (UNIR), Manuel Dammert (PCR), Gerardo Ledesma (FOCEP) and Javier Diez Canseco (PUM). They all asked him not to resign, including Diez Canseco, who was the last to speak. They all pressed him to forget misunderstandings and remain in his post.

Looking at them with great calm, Barrantes replied: "Look. If you really want me to remain at the head of IU, you have to take note of this: No one ought to personally attack the president of United Left. Not because I am untouchable, but because it makes no sense to belong to our group and, at the same time, to give the outward impression that there is infighting going on among us. Second, the PUM has to disavow Malpica, because otherwise it stands behind his insulting statements against the president of IU."

And there it all ended, except of course for a number of clarifications, apologies and offers. But there was an aftermath. The next day the PUM disavowed Malpica, after which came the tacit rectifications and expressions of support for the person of Alfonso Barrantes. In a country and in an era marked by the personalization of politics through television, Alfonso Barrantes is United Left, and everyone has had to and will have to acknowledge as much.

#### Political Roots of the IU Crisis

There are very simple reasons for what has been happening in IU. There are two kinds of politicians: those who put Peru first and those who put their party and their own career first and then judge everyone else from this standpoint. This has been the case with many of the leaders of the Marxist Left, in dealing with General Velasco yesterday and Alan Garcia today. Didn't Velasco make radical changes in the nation's policy towards imperialism and the system of farmland and industrial ownership? That does not matter. Velasco is a reformist and even a fascist. Hasn't Alan Garcia been defending the interests of the nation and the masses both inside and outside the country? Hasn't he declared his intention to move along the path of democratic socialism? All that does not matter either, because he is not a Marxist, a Leninist, etc.

The great majority of leftists made a mistake in dealing with Velasco; they did not or refused to understand him. And all because Velasco was doing what they had not done nor could do.

The same is now happening with Alan Garcia. He is practically undertaking a revolution, defending our national sovereignty, consolidating the changes that Belaunde tried to destroy, seeking to substantially improve the conditions of the masses and to make the country more ethical, promoting respect for human rights. But the Marxist Left still opposes him because he is not supposed to be the one who engineers the revolution. It ought to be the Marxist cliques, even though in practice they never do anything of the sort. Now then, Alfonso

Barrantes is a responsible leader, one of the few politicians who thinks about Peru first. And this is why he is against this sort of approach.

Alfonso Barrantes is not an Aprista, and his program is different, the IU program. But he acknowledges that Alan Garcia has a leftist agenda and he supports the nationalist and populist measures that he is taking. There is no way that he could agree with groundless criticism and attacks on Garcia, which would scuttle the present chances for change. To Barrantes, IU represents a real political alternative, but this does not prevent him from supporting the positive steps that the current administration might take. This is why the small leaders of the small parties are against him and seek to destabilize him. But it does not seem as though they will be able to do so, because the people who are active in the rank-and-file understand things better than all of them put together.

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PERU

#### FISHING SECTOR REACTIVATION FUNDS

Lima EL NACIONAL in Spanish 1 Dec 85 p 2

[Text] Jose Palomino, minister of fisheries, stated on 30 November, prior to leaving on a trip to Tacna and Ilo, that fishing for human consumption will be reactivated along the Peruvian coast and that substantial investments, amounting to 180 trillion soles, will be made.

He said that with this amount of money, provided by the Inter-American Development Bank (IDB), 20 new small fishing ports will be built and 20 other fishing ports will be modernized, including the port of Vilavila, located near the Chilean-Peruvian border.

In addition, a community built wharf will be constructed, costing \$500,000. At the same time, and with economic assistance from the Swiss Government and the Moquegua Corporation, technical assistance and credit programs will be developed so that fishermen can buy their own ships.

The minister of fisheries stated that while in Tacna he will attend a forum where the problems facing the fisheries sector will be analyzed. During his visit to Ilo he will reopen a canning plant which will produce 500,000 cases annually of "La Peruanita" and "La Nacional" tuna fish, which will be sold to the residents of the Andes Mountains area delimited by Ayacucho, Apurimac, Cusco, Huancavelica, and Puno.

Nevertheless, he declared that during 1986 alone 110,000 cases of tuna fish will be produced and that the price of each can will be 5,000 soles--the same as in Lima.

He said that the reopening of this plant will provide direct employment to 200 workers and indirect work to 600 more, while doubling the annual per capita consumption of fish in the area from 10 to 20 kilograms.

## Fishing Agreement

Regarding a fishing agreement, Minister Palomino announced that next week the Soviet Mission will return to Lima after consultations in Moscow on the position adopted by Peru. If the Peruvian position is accepted, it will be possible to sign a new fishing agreement.

He declared that this new agreement, which he hoped to sign before the end of 1985, will be in effect for 3 or 4 months, the time needed by the Soviet fishing company to catch 60,000 tons of fish, which will make it possible for it to reach the 200,000 tons of fish originally agreed on between the two countries.

On the other hand, he stated that 1986 will be a good year for the anchovy fisheries, according to the monthly reports made by the Sea Institute of Peru (IMARPE).

Finally, he denied the rumors about his possible resignation and said that shortly after the beginning of the next session of congress he will present the draft of a new basic law on fisheries.

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PERU

## CPV HEAD REVEALS GRAVE CONDITION OF MERCHANT FLEET

Lima EQUIS X in Spanish 2 Dec 85 pp 20-22

[Article by Pedro Solis]

[Text] "We will fight to ensure that national shipping firms handle 100 percent of the cargo. The Freight Reserve Law is not being applied, and we are going to claim our rights under it." The man who made this statement is Engineer Juan Manuel Ontaneda Meyer, the president of the Board of Directors of the Peruvian Steamship Company (CPV). He pointed out that there is no reason why up to 65 percent of the freight market should be turned over to private and particularly foreign shipping companies, to the disadvantage of national shipping companies.

In a frank discussion which he had with an EQUIS X representative in his office he emphasized: "Cargo is being given away, and we are failing to obtain the foreign exchange which is so important for our country."

In the course of a long interview Engineer Ontaneda covered in detail the series of problems facing the CPV, a national company which has state support. He said that with good organization the company can be returned to sound condition, to the benefit of the country.

He pointed out that all state-owned cargo transported in ships, which amounts to 40 percent of all cargo, should be handled by ships of Peruvian registry. He said: "And at the present time we are working on this. We are arranging with the ENCI [National Enterprise for Industrial Marketing] to transport all of this cargo. We will sign an agreement covering this matter with MINPECO [Peruvian State Mineral Marketing Company], which will provide for the transportation of minerals." He added that the situation facing the CPV, which had been rather chaotic, has begun to improve. "Already it is operating in a different way, and we have obtained \$3.9 million in freight charges. This indicates that there has been a turnaround."

## A Bankrupt Company

Engineer Ontaneda explained that when he assumed responsibility for the CPV on 9 August 1985, "I found a completely bankrupt company." He added, "There were four ships in operation, one other which had just broken down, and 14 additional ships which were no longer operating." From the point of view of ship operations the CPV was almost down to zero, because out of its 19 ships there were barely four still sailing. To that should be added the fact that the majority of the ships were old. However, the most tragic aspect from the commercial point of view was that the CPV was handling only seven percent of the cargo market. So far in 1985 its freight receipts have amounted to about \$30 million. For a company the size of this one, this is a ridiculous and dangerously low level of income.

The president of the CPV emphasized: "In my view this summarizes the drama faced by the company. It has been systematically withdrawn from the market. According to the statistics, which are very eloquent in this regard, out of a freight market worth \$400 million in 1980 national shipping companies accounted for 28 percent, while foreign shippers took 72 percent. In 1981 national firms took 32 percent and foreign shippers, 68 percent. In 1982 national companies handled 28.8 percent and foreign companies, 71.2 percent. In 1983 the figures were 35 percent for national shippers and 65 percent for foreign companies. In 1984 national shippers handled 14.3 percent, while foreign firms handled 65.7 percent."

Because of this unequal competition between national and foreign shipping companies we are making a gift of \$60 million in freight charges to the foreign companies annually and as a result are losing \$60 million in foreign exchange. Of course, we are also losing potential earnings for national companies.

He emphasized that, for these reasons, this will be the first claim to be made. He said that we are requesting the minister of transportation and communications to revise the Cargo Reserve Law, which has proved to be somewhat defective in its application.

## 100 Percent Freight

Later he indicated that the CPV is claiming and will continue to claim 100 percent of the freight, as other countries, such as Colombia, Ecuador, Venezuela, Brazil, and others, have done for their national shipping companies. And this claim is not only for the CPV but for the whole national merchant marine.

At present the CPV only handles seven percent of the freight, while other national shippers account for 28 percent, for a national total of 35 percent. The remaining 65 percent is handled by foreign shipping companies, a situation which will have to be changed.

National companies have sufficient capacity in ships of Peruvian registry to handle 100 percent of the cargo. The CPV has 1 million tons of capacity in the cargo holds of its ships.

Referring to the way in which some foreign shipping firms operate, Ontaneda said that they have ostensibly chartered ships, under the system known as "financial leasing," by means of which they have succeeded in obtaining foreign exchange from the country. He emphasized: "There are 200,000 tons of ships which operate under this 'financial leasing' system, and this is damaging to our interests. Furthermore, they pick up cheap bunker oil in Peru because they are considered to have met the legal requirements of the previous government because they operate as ships under the Peruvian flag."

"Tramp ships" which do not serve regularly established shipping lines operate in the same way. They go into any port, pick up cargo, and then appear in another place, operating as they please.

He pointed out that in view of this situation the policy followed toward the CPV must change. He said: "Since the CPV was accused of not doing its job, it was said that it should have no privileges and should enter into a kind of open competition, on a super liberal basis, without taking into account the company's obligations to serve the state. The CPV is required to maintain certain services which other shipping companies could not handle. Basically, CPV ships operate on regular shipping lines, routes with a certain itinerary intended to provide service on a continuing basis. This is something which does not happen to privately owned companies, which operate on routes and under conditions which are basically profitable to them."

The chief executive officer of the CPV stated that the state should protect this company, as is done in other countries, such as the United States and Japan, which even subsidize this kind of service. He added: "Good results of service. He added: "Good results could not be expected from a company which has no capital and regularly loses \$20-30 million annually. Having had red ink in its balance sheets for the past 4 years and with its original capital used up, the company faced a difficult situation."

Ontaneda said that the reason for this was the size of the company. It was intended to have 19 ships operating on four regular lines, with two special lines to lift wheat and minerals. All of this made it necessary to have a company of some size and with a small number of ships. All of this cost money. In terms of its structure alone it has minimum expenditures of \$30 million annually, which means that to keep the company in healthy condition, it is necessary to sell some \$110 million in freight per year. And that can only be achieved if it is given the freight which it is requesting. If this is not done, the company won't be able to grow and will continue to be in difficulty.

## The 'Mantaro' and the 'Pachitea'

He then referred to the problem of two ships, the "Mantaro" and the "Pachitea," whose fraudulent purchase led to an embargo on buying more ships. Ontaneda indicated that "we have the satisfaction of a job well done. We have turned the page on this matter to recover from the economic damage which the company suffered in connection with this fraudulent and improper purchase and also to improve the morale of the company."

It could be said that the CPV had "its tail between its legs" in connection with this affair. However, its authority is being reestablished and the prestige of the board of directors has recovered. This step taken by the CPV should be welcomed by public opinion and by the government. He concluded: "It is doing its job for Peru and is working to make once more viable a company of key importance to the national economy."

## Firmness and Discipline

When he was appointed president of the Board of Directors of the CPV, Engineer Juan Manuel Ontaneda knew that he was taking on a great responsibility. However, he accepted the appointment with the discipline due, he says, to the fact of his having been a supporter of the APRA since the early years of his life. He brought to this office the firmness and discipline taught him by the party, to which he has dedicated a large part of his life. He has been an APRA supporter since 1945. As a party member he learned about prisons and was wounded once in support of the party. However, all of that only served to harden his spirit. During the 8 years under the dictatorship he shared a prison cell and was a student of Antenor Orrego.

He also learned about the problems of trade union activity, beginning in 1961, when he established the Peruvian Union of Merchant Marine Officers. He acted as secretary general of this union for 6 years. In 1967 he worked for trade unions in the port area of Callao for an extended period of time. And his position as a fighter for social welfare was strengthened when in 1970 he founded and subsequently led the Industrial Community at his place of work, the "Molinera Santa Rosa."

Engineer Ontaneda was a university professor, beginning in 1960, when he was one of the founders of "Federico Villarreal University."

In 1966 he established Callao Technical University. At "Federico Villarreal University" he was chairman of the Academic Department of Industrial Engineering. Beginning in 1966, he has served as dean of the Faculty of Industrial Engineering and Systems.

He is married to Maria Rene Alfaro. They have six children: Marta Beatriz, who has a degree in communications; Monica, who is studying industrial engineering at "Federico Villarreal University"; Juan Alberto, an ensign in the Peruvian Navy; Pedro Antonio, chief of applied pure mathematics at Catholic

University; Marcel Eduardo, who is studying engineering economics at the University of Lima; and Victor Javier, the youngest, who is only 7 months old. With such children and a long record of service to the APRA, much is expected of Engineer Ontaneda in the important position which he holds as the president of the CPV. Undoubtedly, good results can be anticipated from him.

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CSO: 3348/283

PERU

BRIEFS

PRESIDENTIAL COMPUTERIZED INFORMATION SYSTEM--Peruvian Foreign Minister Dr Allan Wagner, INP [National Institute of Planning] chief Javier Tantalean Arbulu, and the coordinator of the Cartagena Agreement Board, Dr Jaime Salazar, have signed an agreement in Torre Tagle implementing the Information and Decision-Making System for Presidential Management and for the Management of INP Policies and Programs. Under the agreement, government decisions as well as the adoption of administrative, economic, commercial and foreign policies will be run through a computerized system. As President Alan Garcia himself noted previously, the chief executive will henceforth not only have necessary information at his fingertips in the Decision Room [Sala de Gestion] but will also be able to monitor progress or corrective measures in each government sector or agency. This is unquestionably a major step forward in the modernization and computerization of government. President Garcia will have up-to-date information at his fingertips for his well-known balcony speeches. The first computers will go on line in 60 days in already prepared rooms in the presidential palace and the INP. [Text] [Lima OIGA in Spanish 28 Oct 85 pp 19-20] 8743

CSO: 3348/198

ST LUCIA

BRIEFS

TAIWAN AGRICULTURAL PROJECT--A hundred acres of valuable and fertile lands in the Soucis and Roseau Valleys will be given to a Taiwanese Group for the cultivation of vegetables. The Government has entered into this agreement as a means of boosting the agricultural production of the island and increasing income from domestic exports. This controversial project appears to be ill-timed since hundreds of dispossessed agricultural workers are idle in the valleys since the termination of their services by Geest Industries Ltd as a fore-runner to the establishment of the Model Farms Scheme. It is envisaged that European Development Funds (EDF) will be used to drain the Soucis Valley lands which are liable to flooding and the Taiwanese will have the benefit of a good drainage system in the production of vegetables. One irate banana worker expressed the view that it was criminal for the Government to ignore the hordes of landless and jobless agricultural workers on the island and put this valuable agricultural asset in the hands of foreigners. [Text] [Castries CRUSADER in English 23 Nov 85 p 1] /9317

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